PAN-ANGLICAN PAPERS.

BEING PROBLEMS FOR CONSIDERATION
AT THE PAN-ANGLICAN CONGRESS, 1908.

CAPITAL AND LABOUR

[Published for the Pan-Anglican Congress Committees, who alone are responsible for these Papers.]

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S.A. 4(a)

PAN-ANGLICAN PAPERS

Being Problems for consideration at the *Pan-Anglican Congress*, 1908.

COMPANIES AND CONSCIENCE: JUSTICE AND DIVIDENDS

By CHARLES RODEN BUXTON

If our industry were simple and undeveloped, it would be unnecessary to insist upon the responsibility of the man of property. Your duty towards a person whom you employed in your own house, for instance, would clearly be, at the least, not to starve him, not to give him insufficient shelter, not to appropriate the main part of his labour for yourself, not to cast him off without a thought of his welfare when you ceased to want him.

Under the present system of investment, however, your action affects a thousand individuals where it only affected one before; and these individuals are not the people of your own locality. Finance has been delocalized. Out of sight is out of mind; and you imagine that you have escaped all responsibility, because the people you are employing are not under your eyes. The average investor feels no particular connexion with the district he inhabits; he has thrown off his sense of duty to that, and has not acquired any corresponding sense of duty to his more distant dependants.

The development of modern industry and commerce has, in fact, done a definite injury to morals; for, while it has caused much suffering and wrong, it has taught people to look on with folded hands; it has juggled with our consciences; the gain it offers to the property owner has blinded him to the responsibility it involves. Yet the thing is indisputable as soon as it is stated. Those who receive dividends are deliberately entering upon a course of conduct which affects, for good or for evil, an incalculable number of human lives. They cannot wash their hands of the result. Our conduct as shareholders must be tried by the same test as our conduct in any other capacity. The command, "Thou shalt love thy neighbour as thyself" applies no less to the conditions of modern commerce than to any other conditions.

I

A partial remedy is to find out the immediate use to which our money is put. Many of the facts of the commercial world are matters of common knowledge; many can be learnt from the daily press; many have been accumulated by investigators such as Sir Charles Booth and Mr. Rowntree. The various branches of the Christian Social Union make it their business to inquire, each in its own district, how some of the local industries are carried on. Information as to labour conditions can be gained from Trades Councils or Trade Unions. Many industries—conspicuously the liquor traffic—are open to any amount of personal inspection. As the result of such inquiries, the conscientious property owner can secure that his money is not employed in *directly* maintaining or promoting evil. If there

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are branches of industry which he considers wholly bad, or likely to do more harm than good to the State—for instance, South African mining, or the brewing industry—he can abstain from investing in them altogether. Better still, he can limit his investment either to industries with which he is himself familiar and which he can to some extent control, or to enterprises which are publicly controlled, in other words, to Government or municipal stocks in civilized countries. It is surprising that the idea of such a limitation has gained so little currency. By far the best security that evils will be brought to light and remedied, is afforded by the existence of popular control and public discussion.

If Christians would habitually impose some definite limitation of this kind—would maintain a boycott, as it were, against the application of capital to any work of whose general soundness they could not satisfy themselves—great improvements could be effected.

II

But this is not enough. We are still in the grip of a system which is too strong for us. You open a banking account, for instance; it seems a sufficiently innocent proceeding. But you are thereby lending money to a body which will use it in maintaining enterprises of which you know nothing, and might possibly condemn. Or you insure your life; and as you pay your premium, you let slip from your hands a sum of money which is instantly swept away to feed the vast industrial machine, it may be for good or it may be for evil. The same is the case with a thousand charitable institutions which maintain reserve funds. The money which you fancy you are devoting to the relief of suffering may be actually employed in creating the suffering that you are trying to relieve. You are brought up, in a word, against the impossibility of personally controlling the ultimate effect of your action. You put your quota into the funds of a vast and complicated system. You help to maintain it. You are responsible for its results; but your control over it is either non-existent or negligible. Huge funds are collected, for the most part in small quantities. A whole profession, that of the stockbroker, is occupied with the mere business of transferring these sums from the amateur investor to the working capitalist. They then pass into the industrial world. At its base lie the broad foundations of agriculture, mining, and manufacture in its myriad forms. Commerce seizes upon raw materials and finished goods alike, with its vast and intricate machinery of exchange; countless workers are employed in distributing and advertising them through a thousand channels; a score of industries, each with innumerable subdivisions, are needed to transport them hither and thither; at last they filter down into the hands of the retail trader, and so pass out to the consumer. The bankers, meanwhile, are supplying the trader, the distributor, and the manufacturer with the means of carrying on his business from day to day; great financial houses are floating loans, promoting companies, and dealing in huge blocks of shares, far over the head of the ignorant private investor; while the insurance corporations are building up

huge reserves of property, in the endeavour to abolish risks and defy the blows of fortune. Nor is the influence of capital limited to a single country; it oversteps all national boundaries; and a completely traceable train of causes connects the frauds of American railway magnates with the rise of prices in England.

Every process is inextricably intertwined with every other; and, whatever view of economics or of industry the inquirer may hold, he will find evil clinging to every one. There are trades that are evil in themselves; there are monopolies which hold the public at their mercy, extracting private gain from public interests; there is the exploitation of the weak races of the world in the interests of the white investor; there is the baneful influence of capital upon international relations—now manipulating an attack by one state on another to secure existing interests, now urging territorial expansion to open up new and profitable investments; there is the diversion of invested funds from their avowed objects towards the corruption of legislatures and the degradation of politics. There are the intolerable conditions of labour; short wages and long hours of work; constant fluctuation in the labour market; a vast mass of unorganized labour, compelled to accept whatever wage will just maintain it at the level of subsistence; great numbers of unemployed men and women, whose own self-respect and vigour is broken down, and who serve the purpose of keeping down the remuneration of the rest—the whole constituting a state of affairs which, when we consider the absolute dependence of the worker upon finding some one to employ him for wages, fully justifies the term "wage-slavery". There is the enormous destruction of child life through bad conditions. And apart from such specific evils, there is the astonishing spectacle of three-quarters of the nation living and dying without the opportunities of self-development which render human life desirable. You cannot limit your responsibility to a single part of this complex structure. Your farmer may be sending clean milk to town, but is the dairyman adulterating it at the end of the journey? Your bicycle-maker may have a model factory, but has the rubber for his tyres been wrung by fire and sword from the natives of the Congo? Your shipping firm may treat their men fairly, but are they carrying and distributing sweated goods? Your insurance society may be honest, but are its funds invested in industries where labour is underpaid, and is its prosperity based on profits which ought to belong to the labourer?

The picture is one which appals; the average investor is overwhelmed by it; he cannot grasp the ramifications of his responsibility. At the same time, he cannot see that the accumulation of capital is wrong in itself. He sees that plenty of other people are investing their money as he does; at last, with phrases about the "life-blood of industry", he succeeds in expelling from his mind the thought of the life-blood of men.

What is he to do? One solution would be to give up the task as hopeless, to pronounce our civilization a ghastly mistake, and, at whatever sacrifice, to get back to some primitive form of life from which social co-operation, except in its most elementary forms, should

be entirely banished. But until we can be satisfied that our social evils admit of no other remedy, we shall be slow to admit so desperate a conclusion. Surely, short of sweeping our civilization away, it must be possible to harness its mighty forces to the service of human welfare?

In point of fact, what the investor cannot do as an individual, he can do in his capacity as a citizen. What, as a matter of history, has been the means of improving our industrial system hitherto? It has been the force of organized public opinion, of the nation operating collectively through both the central and the local governments. The means of discharging our duty to God and to our neighbour lies ready to our hand in the *regulation and control of industry by law.*

How far this control should go it is not for me on this occasion to discuss. Our first duty is to support to the utmost of our power the existing laws, which secure some degree of protection for the poor. But is this code wide enough to purify the whole system? Does it secure that no dividends shall be the fruit of injustice; that the property owner shall be unable to draw in profits from tainted sources? Assuredly not; and until this is so, no Christian citizen who accepts our modern civilization at all, can possibly rest content.

There is an increasing demand, among those who realize the social basis of Christianity, for certain specific lines of reform, which constitute the minimum that any self-respecting society can demand. We must demand that the first charge upon any industry shall be a living wage for the labourer; that cheap products shall not be obtained at the cost of the degradation and slavery of the producer. It is a right policy which has induced the Christian Social Union to place the Minimum Wage—to be adjusted by wages boards for separate industries—in the forefront of its programme. We must protect childhood and old age; support the demand of the workers for a larger share in the product of industry; attack the problem of unemployment; restrict luxury.

It may be that our remedies will have to be carried further. I am not speaking of an ideal state. I am speaking of a state in which a citizen might invest capital without actually staining his hands.

As things stand, it is difficult to see how any investment can be justified, unless it is accompanied by practical support and open advocacy of social reform. That is the shape which our responsibility takes to-day—the responsibility of the property-owner before God. To imagine that, by some mysterious legal jugglery, we can shuffle out of a whole sphere of Christian duty, is surely the strangest and most perilous of hallucinations.

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PAN-ANGLICAN PAPERS

Being Problems for consideration at the *Pan-Anglican Congress*, 1908.

THE MORALITY OF CONTROL OF CAPITAL BY LEGISLATIVE ACTION

By the REV. CANON H. SCOTT HOLLAND

The authority of Public Law over Capital springs out of the sheer necessities involved in the facts. The Industrial situation, as we now know it, compels an ever wider and more thorough assertion of law in order to arrive at its own realization.

For instance, every movement of Capital is seen to be an act of the whole Industrial Community. It is impossible to fix the limits which determine either its origin, or its possibility, or its effects. We have only to recall the concurrence of forces which is assumed by the Capitalist at his work in order to see how subtle and intricate and innumerable are the threads which knit his activity up into the entire social fabric.

His power to act is supplied to him by an inexhaustible Organization which is for ever labouring to endow him with infinite resources and with measureless capacity to put them to use. He arrives at his office in the morning to find that swarms upon swarms of unknown men have been toiling through the night simply that he may be in complete possession of all the information that he needs for his next move. Wires have been pulsating with the news that he requires while he slept. From all over the face of the earth intelligence has been pouring in for his benefit. Printing-machines have clanged all night to get the material sorted and distributed, summarized, arranged, so that in a moment his eye may take in, at a glance, the movements of the world's markets and the slightest changes in its financial equilibrium. A host of men and boys are up betimes to hold it ready for him to have at his hand at whatever moment he chooses. Hundreds more are waiting to give immediate effect, through wire, and Post-office, and telephone, to any venture that he wishes to make. He has but to touch a button or two, and the entire State machinery, ever at his direct disposal, is set moving in his active service. The activity by which he accumulates wealth consists mainly in skilful manipulation of the resources which the Community has stored out of its own

endless experiences in the past, and has brought under the direction and control of the organization which it has delicately and laboriously perfected. There is no moment at which the Capitalist is not relying on the vast system of co-operating forces, on whose assistance he can confidently calculate, and which his every need and wish have at their immediate command.

His own direct motive in the action that he takes may be purely competitive. And, in old days, we used to imagine that this individual and competitive element in the act could be isolated, so that a man might claim it as his own, and have clear right to exclude anybody else from interfering with what was his own business for which he was responsible to himself alone. But now we know that, as so isolated, we are dealing with a mere intellectual abstraction, which can never pass into concrete and real existence.

For, in concrete reality, as we have seen, the man's act is never solitary. His power to compete assumes from first to last an immense world of Co-operative forces, organized for his use, and built up into an Industrial and Social Body. Unless these forces were under him, to buoy him up, and to supply him with all the opportunities under which he can successfully compete, he would be impotent. It is they that find for him his occasions, open to him the channels down which his energy can discharge itself, offer him the materials and instruments through which he can realize his desire. Social Co-operation is the ground on which alone this far-reaching Competition can rest. In Co-operation it discovers its fulcrum, its base, its weapons, its range, its mechanism, its potentialities. Society at large gives the individual the vantage from which he can afford to compete, and also the enormous area of possibilities over which his ingenuity can make play. It places its swift and complete correlation of capacities entirely under his orders to minister to his wants.

> Thousands at his bidding speed
> Posting over sea and land.

And who these are he can never know, and need, so far as his business goes, never ask. To protect him in his work, to secure him in his gains, Society has framed a large Body of Law; and it keeps, at vast expense, a Judicial System that shall preserve for him his right to free activity in his own interest, as well as a host of Police who will be at his service to ward off perils and to preserve his goods in safety.

There is not an act of his, then, which Society has not accompanied, shared, authorized, enriched, enforced. There is no possible disentangling of his own private act from the

social web in which it is immeshed. There is no spot, in the Commercial Process, on which he can take his stand, and declare, "Here, I am alone. No other human being has part or lot with what I do. I am sole and independent. The cause, the force, the effect, of this particular act are all my own; and I answer for myself, and I am responsible to myself, and to no other."

Always, he is the organ through which the Community is acting. Always, he is releasing powers which the Community has accumulated. Always, he is bringing into use tools which the Community has fashioned and supplied. Always, he is taking advantage of the organization which the Community has framed and perfected. Always, he is assuming a swarm of subtle services which the Community places ready to his hand. Always, he is setting in motion the manifold labours of others to work out his own behest. Always, he is starting effects which pass away, through incalculable vibrations, into the nervous tissue of the Body Politic. He is a living duct through which the stored energies of an entire Society pass and repass. In every motion that he evokes, he identifies himself with the Community, which he actualizes and embodies.

And how, then, is it conceivable that he should be able to deny to the Community its right to demand that this activity of his, which he draws from it and spends through it, should conform to its general welfare and fall within the scope of its control?

If he cannot compete except through the Co-operation of the Community, then this Co-operation is prior, in the moral order, to his Competition. The Co-operation can rightly require that the Competition, which it alone makes possible, should serve its interests. It can lawfully forbid any Competitive action that results in damage to the Co-operating Service on which it depends.

This is why Public Law is morally justified in claiming control over Capital.

Public Law is the expression of the Community's Will over ground which the Community holds and occupies. And, in this case, Capital is its creation. The Individual who competes is its own creature. He, in exercising his individual capacities, does so under social permission, as clothed upon with authority from the State, and as entitled, under that authority, to take as much advantage as he can of the opportunities laid open to him by the State. Without it he could not have moved a finger. Without its security he could not have set out on his venture. Without its protection he would have had no liberty. Without its resources he could have done nothing.

His privileges, if he has any, are of its making. He has no possible place in the market that he can derive from himself alone. And if the market that he has used for his own enrichment is not his but belongs to all these others, then he cannot enter it at all without submitting to the rules which are imposed on it by general consent. This is why he holds his wealth subject to the supreme control of such Legislation as the Community considers necessary to secure its own well-being. He has used the Community's assistance throughout. He cannot repudiate its claim to be intimately concerned with all that he does.

Or again, we can arrive at the same conclusion from a consideration of the close inter-correlation which knits the entire mass of individual activities into a single organic Whole. Industries are no longer worked side by side, as it were, in independent localities. They have been fused into a common system of Exchange. Not only do their processes over-lap, not only do half a dozen separate Industries combine to make a single product, but, through the highly-organized condition of Finance, Capital passes to and fro with a liquid ease and freedom. It is like a sensitive mass pressing for outlet. It flows in and flows out, transferring itself from Industry to Industry, according to the swift shifting of opportunities, following the line of least resistance like running water, adapting itself to each varying scale and mood of the market, acting everywhere at once, feeling changes of temperature with the speed of a barometer, ever seeking to fix a new equilibrium of forces according to the turn of ever-varying conditions. Each Industry is conscious of the effects of all other Industries. Each takes on each other's fortunes. Week by week the Central Clearing-House readjusts the books of the entire Body of our Commerce. Transactions attain a balance. A fresh equilibrium is certified. Day by day, hour by hour, minute by minute, the Stock Exchange of the world notes, and names, and manipulates, the minutest indication of the direction in which changes will appear and operations assume fresh momentum. Capital is a live thing. It is an Organism that breathes and acts. It has a mind of its own ; it is all but ensouled. The Banks are its brain. It puts out nerves along all the lines of its Investments. It responds to every pressure of the environment. It has the coherence and consistency of a body. And its outlook is immense. It has its eyes over all the face of the earth. The world is its parish.

And how, then, is it possible for any one man to put down his stake in this enormous venture without finding himself at once immeshed in a whole web of relationships and responsibilities? How is he to hope to play his own little game in and

with it? How can he expect to sit by the side of it and stick in his thumb and pull out a plum and walk off with it, like little Jack Horner? How can he pretend to be minding his own business, and to have the right to do so undisturbed? His business is everybody's business, and everybody's business is his. There must, inevitably, be a whole fabric of common Law under the sway of which he has passed from the moment that he took action inside this world's market and mingled his own Capital with the universal currents of this big Finance. He can only be there at all, as engaged in an adventure in which an innumerable crowd of other men is involved. He falls under stringent obligations. His activity must conform to the common and incalculable Rule.

And whence issues this social Law which determines the common Rule? What is the authority from which it is derived?

It cannot be from Capital itself, for Capital is only an abstraction. Capital is only half of the concrete fact. Capital is meaningless, except in relation to Labour. And both Capital and Labour coexist in one Community. The men who manipulate Capital are of one social body with the men who help to create the Capital by their labour. Capital itself is in a very real sense congealed Labour. Capital is for ever passing back into Labour, and Labour transmuting itself into Capital. The same man may be both Labourer and Capitalist. The two sides of a single fact are inseparable. They can be detached for analysis, for the sake of intellectual distinction, but, in reality, they both together constitute one identical existence.

And no Community, therefore, could allow one abstract section to legislate for itself, or to treat itself as separate and independent. To do so would be to divide a living creature in half. It would be death.

The Community which exists out of this correlation of Capital and Labour cannot but set itself to retain and to assert the union in which both find themselves interpreted and justified. The Community has the moral right to demand that the Rules and Regulations under which Capital does its work are such as recognize the essential interest of that Labour which is its correlative, and the permanent welfare of the Body Corporate, of which both Labour and Capital are co-ordinated functions.

It is at this point that we can understand why the State should regard powerful Trusts as a challenge or a menace to its healthy life. The Trusts represent attempts by Capital to secure monopolies of a sufficient size, or over a sufficient area, to enable it to become completely independent of any other

interest or any other control than its own. By cancelling Competition, it saves itself the effort of meeting those incessant corrective reactions which the presence of the general Society around it perpetually enforces. It escapes those modifications from within which the influx of counter-influences would naturally effect. It becomes its own master. It need consult no one but itself. It holds Labour in the hollow of its hand through its immense combination of forces. It may act beneficently if it chooses; but all this is as it chooses. It may, on the other hand, use its tremendous power to make a ring of Corn, or Cotton, or Oil, regardless of public welfare, determined only by its own independent interest. If it does this, it will do it solely by use of the entire machinery and authority of the State on its own behalf. It will appeal to the State Police to secure it against the protests of Labour. It will rest its entire activity on the fulcrum supplied it by the State organization of Tariffs and by the State Legislation on matters of Industry or Finance. The State may, at any moment, see itself compelled to place its whole power at the disposal of a vast Corporation, acting solely on its own independent behalf, unchecked and uncontrolled, dead against the well-being of Society.

Such a possibility is intolerable. No honourable State could lend itself to the service of an "Imperium" which uses the State's own Organization to make itself a Power outside the direction, or supervision, or control of the State. Capital, which exists only by permission of the State, cannot be suffered to free itself from the obligations which its very existence has already so inevitably created towards the entire Society of which it is the product.

Again, we can arrive by another approach at the same certitude.

Capital and Labour, which together constitute a single concrete fact, are, by the violent pressure of present circumstances, forced out of living touch with one another. They suffer divorce. The wide diffusion of modern industry over an immense and confused area brings this inevitably about. First, Capital, in its joint-stock form, has delocalized itself. It may exist everywhere or anywhere. The shareholders in the Company are a scattered multitude, unknown to one another, without any tangible or visible coherence. They constitute the employers; to them belong all the employers' responsibilities; the Directors are merely their representative agents. But then these employers are totally unaware who and where those whom they employ are. The Labour which at once creates, and is created by, their capital, is out of their sight, out of their horizon, out of their ken. No human

relationship springs up between them. Their obligation towards those whose work they exploit can never take any real form or clothe itself in flesh and blood. How can the Shareholders ever come into living contact with the nameless masses who toil for them? They live at a hopeless distance from the scene of their labour. There are no opportunities that can ever draw them together. They cannot form any estimate of what is going on in the dim recesses of the dark labour world, where the engines clang, and the looms whiz, and the furnaces blaze, and the chimneys belch flames. They cannot take the measure of what is right or what is wrong, they cannot follow the processes, or judge what is fair, or examine the conditions, or know what profit they have the right to take. The world, by whose sweat they live, is far away out of the range of their experience.

Yet they have to answer for it. They have made it; it has made them. By their behaviour towards it they are to be judged.

It lies in displaced hordes dropped down in strange places far from the homes where it was bred; uncounted, ungathered, uncitied; spread out in sprawling suburbs, or on blank marshes at the back of our great towns. It is left to itself. It knows and sees nothing of those with whose fortunes it is so intimately concerned. There is no intercourse between the two correlative halves of the same fact. No communications pass between these associated worlds; no human touch makes them akin.

How, then, are the bonds which would bind them together to be woven? How is their intimate relationship to realize itself in equity and truth?

Once again, it is Legislation which alone can cover the ground and bridge the gulf.

Law can reach from the far homes of scattered Shareholders to the hidden swarms on whose labour they depend and for whose lives they are answerable.

Law can see what they owe to those who serve them. Law can enable them to fulfil the obligations which, if they knew how, they would surely desire to discharge.

Law can secure that the conditions of labour in every remote Factory and Workshop are such as humanity would imperatively require.

Law can give to Capital the eyes to see what its duty is.

Law is the expression of that social conscience which alone justifies Capital in existing. Capital, by itself, in the form of joint-stock Companies, has no means of exerting this conscience. It has no moral organ. Its Directorates are forbidden by their

very nature from considering anything but the interests of the Companies whose servants they are.

Some Power outside itself must step in to supply to Capital the moral nexus in its relation to Labour. It must be a Power which holds together in its wide embrace all the relationships under which Capital and Labour are co-ordinated.

This Power is the State. The State has the moral right to assert this jurisdiction over Capital because without it Capital is divorced from its proper responsibilities. It works in abstraction from Labour. And this is an unnatural and immoral condition. It traverses the first principles of concrete life in which Capital and Labour form the twin constituents of a single fact.

The control of modern Capital by the National Law is, therefore, essential to the very existence of Society as a concrete Whole.

The case has been vested in its Economic principles without any special reference to the Christian Code of Conduct; and this has been done just because we are all learning, at last, that Political Economy emphasises the bond of Brotherhood and looks to an end that is socially and morally desirable. So far as it does this Christianity accepts its scientific verdict, and is ready to learn from its experts what its actual Economic behaviour ought to be. It does not profess to have a special Political Economy of its own, but only to insist on the broad Ethical principles which Political Economy is bound to verify in detail and exhibit in action.

In the present case the Economic conclusions reached issue directly out of the moral relationships which actually hold between Capital and the Society which makes Capital possible. And, if so, it is enough to state them, in order to ensure their sanction under the Christian Code and their recommendation to the Christian Conscience.

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TRADE ORGANIZATION

By H. B. LEES SMITH, M.A.

(*By kind permission of the Christian Social Union*)

This pamphlet is addressed to those who have not read many of the more recent discussions on Trade Unionism. The writer has been asked to explain to them what a modern labour leader would say in support of his position.

The Economic Argument

In industry employers and workmen face each other as buyers and sellers of a certain service—labour. The price to be paid for it is determined, like the price of anything else, by the "higgling of the market". Hence the workman's wage, and therefore, in great part, his standard of life, is dependent upon his negotiations with his employer. But he has a shrewd suspicion that when the isolated labourer attempts to bargain with an employer or with a combination of employers all the advantages are on the other side. He feels that he is by no means certain of obtaining all that his labour is worth, when, with little or no money behind him, and unversed in bargaining, he faces the great firm, with its masses of capital and its skilled negotiators, linked perhaps with other firms in a common wage policy. The impulse to combine with his fellow-workmen arises, and a Trade Union is formed. We will explain more fully what is in his mind.

If one of the parties to a bargain is in such a position that, however unfavourable be the terms which he is offered, he cannot hold out against them for long, the chances are against him. If, at the same time, the other party can well afford to wait indefinitely, the inequality of strength becomes more glaring. In consequence of this the workman of to-day feels the truth of the words written by Adam Smith in 1776 —"In all disputes the masters can hold out much longer. Many workmen could not subsist a week, few could subsist a month, and scarce any a year without employment. In the long run the workman may be as necessary to his master as his master is to him; but the necessity is not so immediate."[1] But, with a Trade Union behind him, the workman is able to fall back, not merely upon his own insignificant savings, but upon the accumulated funds of thousands of his fellows.

Mr. T. S. Cree, the most acute of recent critics of Trade Unionism, will not accept this reasoning.

Economists write as if a total or partial stoppage of work meant to an employer only a little less profit at the end of the year, while to the workman it is a question of life and death for himself and his family. Now men of business know that most employers work largely with borrowed capital, and that their own capital is often a small part of the total amount of capital employed. They must pay interest on their borrowed capital, and the stoppage of work through a strike, or a number of machines standing idle, often means not less profit, but an absolute loss, and, if long continued, total ruin.[2]

But the argument of the economist is that the employer has the

[1] *Wealth of Nations*, chap. viii.

[2] *Criticism of the Theory of Trade Unions*, p. 21.

advantage over the isolated worker. To point out that if there is "a stoppage of work through a strike", that is, if the workmen are no longer acting separately, but have combined, the advantage disappears, confirms instead of refuting the reasoning.

The Business of Bargaining

There are other disadvantages pressing upon the workman who stands alone. Negotiation is a business in itself, but it is not the business of a manual worker. His function is to labour. It is, however, the special work of the employer. He, or his representatives, know the condition of the market, can calculate how much the labour of the workman is worth to them, and can also form a shrewd opinion of how little he will accept. Negotiations over wages between the employer and the labourer thus resolve themselves into a match between a professional and an amateur. Again the chances are against the workman, and again he saves himself by his Trade Union. The officers of his Union do for him what he cannot do, and ought not to spend his time in doing, for himself. They make it their work to know the state of the trade, to enter into the intricate calculations often needed for piece-work systems, and to meet the employers on equal terms. Those who follow the proceedings of conciliation boards know that the workmen's representatives are quite able to hold their own with the foremost employers of labour. Besides, they depend for their livelihood only upon the men themselves, and their claws are not drawn by the fear of being victimized, which faces an ordinary workman if he puts himself at the head of a demand for better conditions. When the middle-class worker is faced by the same difficulty he meets it by the same device. Authors, for instance, whose business is to write and not to bargain, often feel themselves to be too much in the power of their publishers. Hence, in the last few years, we have seen the rise of a new profession, that of authors' agents, who do for their clients much that a Trade Union leader does for his followers.

Other Conditions of Labour

We have, hitherto, spoken only of wages. But the welfare of the workman depends just as much upon the provisions made to keep the factory clean and healthy, to regulate the length and intensity of his labour, to guard him from accident, and to compensate him if accident occurs. Here the isolated workman is still less able to defend himself, and here again the Union steps in. In many Unions the time of the officials is more fully occupied by these subjects than by questions of wages. The proportion that this work assumes in a large Society can be seen by a few extracts from the *Manifesto to Non-Unionists*, just issued by the Amalgamated Society of Railway Servants :—

During the year 1903—the last for which the complete returns issued by the Board of Trade are available—497 railway men were killed, and 14,356 were injured in the United Kingdom. The Amalgamated Society of Railway Servants realized that many of these accidents might be prevented, and would be prevented, if steps were taken to remove unnecessary dangers. Below are particulars of dangerous cases dealt with during the last four and a half years, and it will be seen that in 85 per cent. of the cases taken up, the A.S.R.S. have been successful in causing improvements to be made.

Another fruitful case of accidents is long hours. Upon this question the A.S.R.S. has taken a firm stand, and by all the means at its disposal has worked in the direction of getting the well-known excessive hours

reduced to reasonable periods. During the last four-and-a-half years no less than 233 complaints were lodged with the Board of Trade by the A.S.R.S.

Then, again, a tremendous amount of work has been done at the Head Office in advising members how to act with a view to securing adequate compensation for injuries received, and in taking legal proceedings whenever friendly negotiations have failed to secure justice. During the last four-and-a-half years no less than 348 fatal cases were dealt with, and the lump sums obtained as compensation totalled £49,716 9*s.* 11*d.*

In many other directions the interests of our members have been protected legally, and of the 161 legal cases we have had during the period under notice, 122 have been successful.

In many of these cases the State has stepped in and taken the responsibility of defending the workman upon its own shoulders. But even then the Union still has a work to do. It has to ensure that the law is enforced, and that the worst employers are thus brought up to the level of the best. How this is effected may be seen by an extract from a letter to the writer by a Lancashire cottonweaver :—

It is a common thing for Secretaries of Trade Unions to write to the Inspectors, if there are any complaints about running over-time. Still, it is not known to the public. It is about seven years since I was on the Committee of the —— Association, having been elected to go on as a delegate to the —— Amalgamation Meeting, which was held every six weeks. I brought before the meeting, on my own accord, about our mill running over-time. The day I went to the meeting the mill should have stopped running at 12.30, but I came out of the mill at 12.50, and it was still running. Mr. ——, our Secretary, told me he would see to it, but he told me not to mention it to any one, because if it got to the ears of the Masters' Federation I should be victimized. In less than fourteen days the Inspectors appeared and caught them running over-time. The sequel was £60.

Criticisms of Trade Unionism

These considerations furnish the first line in the defence of Trade Unionism. But we shall not do justice to the subject unless we explain thoroughly the views of its opponents. Now, therefore, for a time we shall assume the rôle of a critic of Trade Unionism. The arguments used up to the present refer only to " short run " effects. They merely explain how a workman may make a better bargain with his employer, and there they leave the matter. But it must not be left there, for, whatever wage the workman obtains, other forces are brought into play which " in the long run " dominate the situation. In order to trace these " long run " effects we must make a short incursion into economic theory.

Capital is drawn to, or repelled from, a trade by the profits which are to be obtained in it. If these profits rise above the normal level new employers are attracted into the trade, while those already there increase their scale of production. Thus the eventual result is that the output of the trade is increased, the prices of its products fall, and profits sink back to the normal level. Similarly, if the profits are reduced below the normal level, the capital in the trade gradually diminishes. The supply of its products, therefore, decreases, and their prices rise until the profits are once again at the normal level. How does this reasoning affect Trade Unions? It is argued that it leads to the conclusion that, with or without them, the wages in a trade are " in the

long run" determined at a certain level by the forces of supply or demand. No combination of employers can for long force them below it, and no Union can keep them above it. Unions, therefore, it is claimed, are unnecessary for defence and useless for aggression.

To follow the argument, let us imagine a trade in which, to begin with, free competition reigns supreme. There is no combination among either employers or workmen. The profits of the employers and the wages of the workmen are about the same as similar capital, enterprise, skill, and industry could obtain elsewhere. Now imagine the employer to succeed in forcing the workman to accept lower wages. Is a Union necessary to enable him to raise them back again? No, answer its critics, for the action of the employers will "in the long run" defeat itself. Profits were at the normal level before. Now that wages have been reduced, they are above the normal level. But we have already seen that, if this is so, capital eventually enters the trade. Hence the demand for labour in it rises. At the same time, since the workmen are receiving less than with similar skill and industry they can earn elsewhere, their numbers gradually diminish. Thus, while on the one side employers are seeking for more labour, on the other, men are steadily drifting away. To this there can be only one end. Wages will rise again. Hence, the fact that employers beat wages down, has itself, without any Trade Union, set into operation forces which, in the long run, beat them up again. From this it is argued that a Union is unnecessary.

By parallel reasoning, if the workmen on their part assume the offensive, form a Union, and succeed in forcing their wages above those earned by similar industry and skill elsewhere, capital leaves the trade, and more labour seeks to enter it. Hence, at the same moment that fewer men are wanted, more are looking for places, and wages must, in the long run, fall to the old level. For aggressive purposes, therefore, Unions are powerless. The argument is summed up by Mr. T. S. Cree: "While the terms of a particular bargain are of importance to the individual workman and employer concerned, they are not of much importance to the workmen and employers as a whole, as there is always a compensating action going on which is bringing back wages to a true economical point." [1]

This is the main criticism of Trade Unionism. It must be said at once that it contains a considerable element of truth. Its value is that it enables us to obtain a proper perspective of the limits to the possibilities of Trade Union action. We are prevented from sharing the extravagant hopes of some of its advocates, but we are at the same time saved from the equally extravagant fears of some of its opponents.

The Answer

The Trade Unionist, however, has his reply. Even if wages will eventually reach "a true economical point", this is only to take place "in the long run". But how long is the run? If, for instance, wages are forced below the true economical point, what length of time will elapse before sufficient men have moved into other trades to raise them back again? If, moreover, the tendency is for these other trades also to be dominated by combinations of employers, what is the workman to do then? These questions may refer only to "short run" effects, but meanwhile the workman is the loser. The short run of economic theory may cut a considerable length out of his working life.

[1] *A Criticism of the Theory of Trade Unionism*, p. 11.

If he always bears the brunt of the fluctuations of wages while the masters always reap the advantage, the average of his wages will clearly be lowered. Why should he tolerate such a position? Trade Unions enable him to resist this downward pressure, and perhaps to substitute an upward pressure in his own favour.

The Government of a Trade Union

We have hitherto spoken only of the general principles of Trade Unionism. But our account would not be complete without some description of their government and of the men who control them.

A large Trade Union generally has a separate branch or lodge in every district where a few of its members are employed. The Amalgamated Society of Engineers, for instance, has 676 branches, scattered throughout Great Britain, Canada, Australia, South Africa, New Zealand, and has even a few in the United States. The central government is in the hands of an Executive Committee. The General Secretary, the outstanding figure in the Society, devotes the whole of his time to the work, and receives a salary of from £150 to £300 a year. The Executive Committee usually consists of men still employed at the trade, and coming up to the head office at certain intervals to hold their meetings. In some Unions, however, for example, in those of the Engineers and the Boiler Makers, the members of the Executive Committee also are permanent officials. The work of the branches is mostly in the hands of branch Secretaries, who seldom receive any payment. These men spend hours each night after having already done the day's work of an ordinary man, in masses of inglorious labour, such as keeping accounts, writing minutes, corresponding with employers, and preparing reports for the head office, inspired by a devotion not unlike that found among those who do the voluntary work of many religious bodies.

One of the most important problems in the constitution of a Trade Union is also met with in that of a nation. How much power is to be given to the local authorities, and how much retained at head quarters? The reason that we refer to this is that one point in the answer given by most of the larger Unions is of peculiar importance. Strike pay is in the hands of the central Executive Committee. If a local branch comes out on strike without the consent of head quarters it must do so at its own expense. Any action which depletes the funds of the Society concerns the members as a whole, and must therefore be decided by the central officials, who represent the interests of all. The effective power to strike does not, therefore, rest with those who are in the heat of the conflict, but with men who, often from hundreds of miles away, view the situation coolly as an incident of their daily business. Their personal bias, indeed, is inclined to be strongly in favour of peace. The General Secretary of an established Union has little to gain and much to lose from a conflict. He will be involved in an immensity of labour and anxiety. If it succeeds he personally is in much the same situation as before. If it fails, discontent with his administration breaks out, rival candidates appear as his time for re-election approaches, and he may have to fight hard even to keep his position. So it happens that Trade Union officials are more often engaged in holding their followers back than in urging them on. Few of them escape being denounced for cowardice, and are often accused of having been "nobbled" by the employers. The "paid agitator" pictured by newspapers is a very rare figure, and, when he is seen, he is found among the most struggling and least important Unions. Men who are engaged in

continual negotiations with the ablest employers of labour, and whose decisions involve vast sums of money, rapidly develop into professional men of the most cautious type. A stranger wandering into the annual Trade Union Congress, and looking down on the rows of delegates, with their resolute faces, their neat clothes, and their clear-cut speech, might imagine that he was present at a gathering of leading business administrators. The idea of the ordinary Trade Union official as a "paid agitator" is found more frequently among those who never meet one, than among the employers of labour who deal with him face to face. The latter, on the contrary, are often on terms of cordial friendship with him, calling him by his Christian name. Two years ago a testimonial was subscribed for "Mabon" (William Abraham, M.P.), the most conspicuous labour leader who has been known among the South Wales miners. It was initiated by the employers, and a great proportion of the subscriptions came from them.

Friendly Benefits

A common mistake is the belief that the main part of the expenditure of a Trade Union is for fighting purposes. The strike is, indeed, the weapon which it always holds in reserve; but, in addition, each member usually looks to it to enable him to provide, by his own forethought, against many of the contingencies of life. If he is out of work, or ill, or if an accident strikes him down, it comes to his aid. When he dies it saves him from a pauper's burial. In some cases it supports him in his old age. All this it does out of the savings of himself and his fellow-members. At a liberal estimate not more than one-fifth of the average expenditure of Trade Unions is on strikes or disputes. The following figures, published in the latest Report on Trade Unions issued by the Board of Trade is worth careful attention.[1]

Expenditure of the 100 Principal Unions during the Ten Years from 1895–1904

Total expenditure	£16,060,000.
Expenditure on "Disputes" or "Strikes"	£2,343,000, or 14·6 per cent.
Expenditure on Unemployed or Out of Work Benefit	£3,608,000, or 22·5 per cent.
Expenditure on Other Benefits (principally sick, accident, funeral, and superannuation or old age)	£6,658,000, or 41·4 per cent.
Expenditure on Working, and Miscellaneous expenses	£3,451,000, or 21·5 per cent.

It will be seen from these figures that only 14·6 per cent. of the expenditure has been on strikes. But there is some difficulty in distinguishing payments to the Unemployed from payments due to a dispute, as unemployed benefit is often given to those whose non-employment is either directly or indirectly due to a strike. The Report states that in such cases the amount has been estimated, where possible, and treated as dispute benefit. It is, however, best to allow for some miscalculation, and merely to say that certainly not more than 20 per cent., or one-fifth, is spent upon strikes.

Some of these benefits can, of course, be provided by Friendly Societies; but the most important of them, the "Unemployed Benefit", upon which alone more is spent than upon strikes, is peculiar to Trade

[1] *Report of the Chief Labour Correspondent of the Board of Trade on Trade Union in* 1902–4, Cd. 2838, pp. 15, 7, 23.

Unions. The persons who know with most certainty whether a man is genuinely unemployed or not are those who work day by day at his side. Hence Trade Unions, consisting of men working together at the same trade, at present stand out as incomparably the most successful agencies for the relief of unemployment.

We have stated the main considerations upon which a judgement of Trade Unions should depend. We cannot enter in detail into the different methods adopted by each of them. But it ought not to be denied that these methods may sometimes be mischievous, as, for example, although this device is disappearing, when a Union puts unnecessary difficulties in the way of those who wish to enter the trade. But the readers for whom this pamphlet is written should remember that they are likely to hear much more of the attacks on Trade Unions than of their defence. Lately, for instance, the most common charge has been that some Unions try to prevent one man from earning more than others. It must be said frankly that Trade Unions are not without faults. Where they have hindered men doing their best and fullest work they have done wrong, and tended to bring their movement into discredit. There are, however, qualifying circumstances. The charge is not brought against those who are paid piece-wages, and the great majority of Trade Unionists work under that system. In those cases of payment by time, where the evil occurs, the explanation is often as follows. There are many "jobs" on which a gang of men have to work together, so that the pay of all must be the same. But the strength of all is not the same. An inevitable dilemma therefore presents itself. Either the weaker must be driven beyond their strength, or the stronger must work below their strength. Employers naturally find it well worth while to pay the most powerful man a little extra, or to give him a glass of beer to work to the top of his strength, and so to compel the rest to hustle after him. But the others naturally protest against being driven beyond their powers by these "sloggers" or "chasers". To them it appears an attempt on the part of the employers to pay one man a few pence extra in order to "sweat" an unreasonable amount of work out of the rest without paying for it. Thus, even in what appears to be one of the least defensible devices of Trade Unionism, there are distinctly two sides to the question.

In any case, our judgement of Trade Unionism should be formed on the general principles for which it stands, rather than on its incidental merits or defects. Nothing is so mischievous as to attack Trade Unions in general because of particular methods adopted by some of them. Those at fault are not improved by indiscriminate onslaughts on their good and bad characteristics alike. The better-conducted are embittered by the injustice, and taught to believe that the more comfortable classes can be moved by nothing but force.

A School of Self-Government

The future historian may point to our discussions on Trade Unionism as a curious example of a lack of proper perspective. He may see that their real importance lay in their political effect, and not in the merely economic questions of whether they raised or lowered wages, or whether they helped or hindered trade. Political philosophers have insisted that in order to ensure the qualities required for democratic government the active citizens should have the opportunity for continuous experience in the conduct of self-governing institutions. There are now sixty-three working-men in the House of Commons, of whom fifty-six are Trade Union officials. Many observers have been surprised at the

ease with which they have adjusted themselves to that assembly, and at the great respect which they command there. But this was expected by all who knew much of our artisan life. The country is covered by a network of self-governing institutions in which the energetic young workman is continually training himself in the arts of a representative assembly. He spends night after night each week in helping to administer Trade Unions, Co-operative Societies, Friendly Societies, Working Men's Clubs, or the organizations attached to many religious bodies. These are the sources from which the capacity for self-government is drawn, and the most important of them is the Trade Union.

Let us follow the career of a young workman who is destined to represent his fellows in the House of Commons. He begins as an active member of his Trade Union branch. He is soon elected on to its Committee, and finally becomes its Secretary. Then, during a course of years, his reputation spreads through the other branches in the country. Meanwhile, he wins a seat on the Council or Board of Guardians of his town, becomes known as one of its leading local administrators, and so prepares himself for wider spheres. A vacancy occurs at last on the Central Executive Committee. Many candidates are nominated, but he, no longer young, triumphs over them. More years pass, and then the great opportunity arrives. The General Secretary dies, or retires, and the Union is agitated by the contest for the succession. Eager canvassing begins, manifestoes are issued setting forth the claims of the different candidates, many of them well-known figures already. At last our friend wins the position for which, when he started his upward course, there were perhaps fifty or a hundred thousand possible competitors. Now comes a period of still greater responsibility, in which he plays his part in controlling the destinies of one of our national industries. Finally, he is elected to represent an industrial constituency in the House of Commons. Is it surprising that he does not compare so unfavourably with rising barristers, or young men with family influence, but no personal achievement behind them?

It is, then, as a training ground for self-government that Trade Unionism may most profoundly modify the course of our history. Already it is remarkable that the political labour movement in Great Britain is following a course which marks it off sharply from the parallel movements on the Continent. One reason is that here it is dominated by practical administrators trained in the school of Trade Unionism. Not only, too, do Trade Unions train our artisans in democracy, but they prove them to be ready for it. For here we have already great self-governing institutions which have arisen, not from legislation and not from the patronage of the more comfortable classes—for they have feared and tried to strangle them—but from the natural genius of our people.

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PAN-ANGLICAN PAPERS

Being Problems for consideration at the *Pan-Anglican Congress*, 1908.

THE UNEMPLOYED

By F. LEWIS DONALDSON, M.A.

VICAR OF ST. MARK'S, LEICESTER

(*By kind permission of the Christian Social Union*)

Of all social problems that of "the unemployed" is, by common consent, the most urgent. At the recent Trade Union Congress it was unanimously resolved that "this is the most vital and urgent question affecting the interests of the wage-workers of the United Kingdom".

The Evil.—The evil is not to be measured by statistics of the number of men "out-of-work". It is not merely that, even in the well-organized trades, from two to four out of every hundred workmen are unemployed at the best of times—a percentage which rises occasionally in times of bad trade to ten or twenty per cent., and among unskilled labourers to an unknown height. The gravest part of the problem is the "under-employment"—often chronic—of the whole class of casual workers, numbering probably millions of male labourers (not all unskilled), and thousands of women, especially "out-workers".

The irregularity and intermittence of casual employment have, at the best of times, demoralizing effects on family life and personal character. In seasons of depression these become ruinous. To these deteriorating influences literally millions are now exposed.

Origins of the Evil.—We need not here inquire to what extent these evils (and especially the practice of intermittent casual employment) have been originated or intensified by the industrial revolution of the eighteenth century, by the enormous growth of towns in the nineteenth, or by the competitive world-commerce that characterizes the twentieth. What is clear is that to-day, not only do new inventions or changes of fashion or trade occasionally deprive thousands of blameless families of their accustomed livelihood, and both cyclical and seasonal depressions recurrently throw tens of thousands out of work through no fault of their own, but, even in good times, the very system of casual employment for a day's work or a few hours' work at a time, without any organized provision for the rest of the time, makes it almost impossible for hundreds of thousands of poor households to maintain a regular, provident, and thrifty existence.

The Causes Economic not "Personal".—These and other such considerations point to the fact that the root causes of the evil are economic, and have less to do with the "character" of the workers than with the industrial conditions which society has allowed to develop. Hence, in recent years, the change of public opinion upon the subject. A few years ago "unemployed" was a term of blame; now it is a term of pity. We hear less than we did about "ne'er-do-

wells", "loafers," and so forth. For we have learnt by intricate investigation that though character is priceless, and technical training important, yet the possession neither of good character nor of technical skill by all would wholly remove the causes of unemployment, and those of the still graver evil of irregular "under-employment" which lie in the forms of business organization which the wage-earners cannot themselves alter.

National Responsibility.—Besides, and partly because of these considerations, a new moral conception of corporate or national responsibility has arisen. In the light of present knowledge, it becomes impossible to throw the whole weight of responsibility upon the workless themselves.

Men who, for instance, in middle life, are cast out of their employment by a change of commercial process, or some other industrial cause, are under present economic conditions practically helpless. Too old, unsuited to learn a new trade, they rapidly drift into a condition of vague and hopeless wandering. Those who can obtain no better means of livelihood than the demoralizing casual labour of the docks and wharves, or of the "sweated" home-working trades, cannot, by any possibility, make these occupations into sources of regular weekly incomes, or avoid being reduced to starvation level whenever trade is bad.

We have learnt, in fact, that the main causes of unemployment being economic, "charity" is wholly inadequate as a solution, and that the "Poor Law" is not only no remedy but harsh and even cruel, because it inflicts the stigma of pauperism upon those who are compelled by want of regular employment to seek its aid.

We must therefore look for remedy in the direction of a better ordering of industrial conditions, and to national co-operation to this end.

The "Unemployed" and the "Unemployable".—The first step towards real remedy lies in drawing clearly the distinction between "unemployed" and "unemployable". But it should be noted that there is a quite inevitable tendency for the one to become the other. The "unemployed" of one year may be the "unemployable" of the next. When a workman becomes workless, and for months, or even years, is left to himself, and to wander hither and thither for work he cannot find, he rapidly degenerates. First, his trade position is broken, then his home, and then his heart. This is the fate of thousands now designated "unemployable", who once were skilled and honourable workmen.

Physically and Mentally Defective.—But beyond these are the aged, the physically weak, the halt, the maimed, the blind, the deaf and dumb, and the epileptics, consumptives, and inebriates. Finally, there is the comparatively small class of those who might work but will not.

All these classes need, and should receive, separate treatment. The State (i. e., we ourselves, in our corporate capacity) should save these, the industrially "lost". Even those reluctant to work should

be saved "so as by fire", and set to work in colonies of a penal but reformatory kind, of which we have a good example in that of Merxplas, in Belgium. The problem of whether provision for old age, upon a large scale, should be made from national resources must be faced. For the physically and mentally incompetent, houses of consolation and redemption should be established.

Positive Remedies.—A short leaflet can give few details. But it is clear that when the classes named above have been eliminated, the problem of "unemployment" will be shorn of half its horror. We shall then have to deal with the industrial problem only, great in extent, terrible in its results, and ever expanding, but confined to its legitimate dimensions and character.

The unemployed, whose condition constitutes this problem, may be divided into (*a*) those who, at the best of times, are only intermittently employed—e.g., dock and wharf labourers, out-workers in sweated trades, &c.; (*b*) those workless through seasonal causes—e.g., house painters and stone-masons in winter; (*c*) those workless through temporary depression of trade; and (*d*) those workless through changes in the methods or the localities or the products of industry.

The first and principal step must be to substitute organization for anarchy in industry, where that anarchy is demonstrably injuring the weaker among us. Would it not be possible to expand the Labour Exchanges which have been tentatively established under the Unemployed Workmen's Act, 1905, into a complete national system, under the Board of Trade; in which all labourers not in regular employment of a continuous character should register themselves, with the object of so dovetailing the jobs offered as to make employment continuous for each worker, though still given only intermittently by each employer—as is now done, for instance, to a great extent, in the case of trained nurses for the sick? Would it not be possible, by legislation, to *compel* those employers who could not, or did not, choose to guarantee a minimum period of regular employment to their wage-earners, and who wished to continue taking on men for the day or by the hour, *to hire those men through the Labour Exchange only*, so as to enable the demoralizing systems to be made as little demoralizing as possible? There would then be only a residuum waxing and waning according to the industrial circumstances of each locality, for whom no employment at all could be found.

The second step must be to equalize, as far as may be practicable, the present varying aggregate volume of demand for labour. We cannot control the vicissitudes of seasons, weather, changes of fashion, alteration of industrial processes, the vagaries of fashion, or the consumers' caprices. It may be difficult indefinitely to extend the sort of intelligently deliberate adjustment of production to demand such as distinguishes the highly organized co-operative movement. But something effective could probably be done by concentrating the Government and municipal orders for new workshops, new buildings, painting and renovating existing structures, non-urgent printing, and even the annual embodiment of militia regiments for training, upon

those seasons of the year, and those years in the numerical cycles, in which the aggregate volume of demand for labour is lowest.

The third step must be for the community, as a whole, to deal wisely, humanely, and without dishonour, in each case according to its needs, with the ultimate residuum, numerically great or small, individually blameless or culpable, fit or "unemployable", that it finds upon its hands. For the able-bodied adults who find themselves workless there should be provided, not artificially created work at wages, but temporary subsistence in return for training (physical, mental, and technological) in order to fit them, according to their circumstances, (*a*) for more efficient work in their old trades, if these are only temporarily depressed, (*b*) to take up new trades, (*c*) to migrate to other parts of the United Kingdom, where their labour is wanted, or (*d*) to emigrate, if they so desire, to new lands.

For all this, the inevitable discipline and systematic regimen of residential farm colonies, and day or residential industrial or technical schools, should afford the necessary machinery for providing means of subsistence for the husband and father (with home aliment for the family) in such a way as to check "industrial malingering", and invigorate instead of, like the workhouse, demoralizing the patient.

For any who may prove recalcitrant, or incurably idle, we must try the more drastic cure of a reformatory penal settlement.

Conclusion.—There is no doubt that these are real, though partial, remedies for unemployment. But it is clear, also, to the present writer (though he cannot commit the Christian Social Union to this view) that, this tragedy being an invariable concomitant of the competitive system of industry, there can be no permanent remedy except in the substitution of the co-operative for the competitive principle in the constitution of the industrial life of the nation.

The Religious Principle.—Further, in all these considerations we must keep in mind the stern tragedy involved. In a highly organized state of society, to be "unemployed" is to be outcast and lost. It means the degradation of human lives, the destruction of homes, and the breaking of human hearts. The Church's promulgation of the commandment, "Six days shalt thou labour," implies our responsibility for those who seek to fulfil the sacred law, but who, under the present conditions of industrial life, cannot. The appeal of the workless is not merely for the right to live. It is a nobler cry—for the right to work in order that they may live, and in order that they may be a help and not a burden to society. In the parable of the labourers in the vineyard—a parable of the unemployed—the lord goes forth even unto the eleventh hour to give work to those who seek it. In this parable is presented an image of that duty which is now before both Church and Nation.

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PAN-ANGLICAN PAPERS

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CHARITABLE RELIEF

By the REV. W. W. HOUGH, Vicar of Lewisham

The need of the Case—

I. Present Methods—Negative.

The consequent harm—

1. Funds misapplied.
2. Injury to character.
3. Injury to cause of religion.

II. Better Methods—Positive.

1. *Consideration—*
   i. Careful investigation.
   ii. Family the unit.
   iii. Adequate help.
   iv. Purpose of relief.
   v. Importance of character.
2. *Co-operation—*
   i. Parochial relief Committee.
   ii. Co-operation with Poor Law.
   iii. With other charitable agencies.
   iv. Guild of Help.

Very much has been said and written of late on the question of Charitable Relief, and it is a question to which we need to give careful and serious thought.

In the first place we recognize the painful and patent fact that in all our large towns and in many of our country districts a vast extent of poverty and want exists; as Mr. Charles Booth says in his *Life and Labour*, "Hundreds of thousands of our neighbours in London are ill fed, ill clad, and ill housed, and are ever at the mercy of any misfortune an ill wind may bring."

It would be difficult to exaggerate the amount of pain and injury caused by such privation.

It is terrible to think of the children who are permanently weakened, dwarfed, and stunted in consequence of an insufficiency of fresh air and good food, this insufficiency tending to the degeneration both of the physique and the morale of the race.

For a time such degeneration might be hid; the influx of fresh strong country life into our towns brings with it vigour, but now that we have another generation town-born, town-bred, reared in chronic want sometimes bordering on destitution, we find a state of things that is a menace to the social well-being of the whole.

And in the second place it is recognized that the Church cannot "leave it alone". "If one member suffer, all the members suffer with it." Body and soul are so closely united that those who work among the poor and suffering for their spiritual good cannot possibly ignore their temporal needs. The Incarnation manifested in the Ministry of our Blessed

Lord has taught us the dignity of the human body, and the infinite compassion with which love inspires Christ's followers for every human need.

Poverty must meet with compassion, and " those who visit in the name of Christ are bound to strive to relieve the distress they find ".

I. But the methods by which such relief has been administered by religious people or organizations have at times been deplorable. Side by side with the poor in town or country are those who are endowed with varying degrees of surplus wealth. Religion teaches these people that they must give largely of their substance in alms. Warm feelings are aroused, kind hearts are touched and money has been given without much thought, just enough to quiet the conscience of the giver. It all seems so simple and natural—we hear the cry of distress, upon the immediate impulse we give something which really costs us nothing; we hear the words of gratitude, a glow of fervour pervades us, we feel so good, we never take the trouble to investigate what permanent good our gift has done, and should be distressed to find that the recipient was none the better for it—sometimes the worse.

It is the easy thing to give; but the easy thing is not always the best or even the right thing.

We are familiar with such impulsive and irresponsible charity and find it on every hand. The frequent calls at all hours, especially late on a Saturday night, for a " ticket " or money for a night's lodging. The kind, unwise, tender-hearted visiting ladies who always have a shilling ready for every tale of woe. The people who will give to every chance beggar, " because they do not like to refuse." Such emotions are dangerous and need to be restrained as other unbridled desires. Bread tickets, coal tickets, meat tickets can be had for the asking, often to be bartered at less than their face value for current coin of the realm. Doles are showered on those who attend a meeting or occasionally frequent a place of worship.

If one could gather together the total amount of money spent thus indiscriminately in one year, what an amazing amount it would be. And what is the result of it all ? The real permanent good is infinitesimal, the actual harm is very great.

Let me mention three evil consequences of the unwise almsgiving that has been, and still is prevalent among Christian people.

1. *Funds are misapplied.* Do the right people get the help? The least deserving are always the most ready to beg,

and therefore such almsgiving is creating an ever increasing class of professional beggars who make an excellent livelihood by spinning a plausible tale, mysterious marks are placed on the walls of our house to tell the next beggar with what reception he is likely to meet, and the money given is worse than wasted; while those who have still retained their self-respect remain at home, hide their poverty beneath a clean and tidy exterior, so that the mere outward observer would not detect the real privation that exists. It needs to be sought. "*I came to seek!*"

If people do not ask it is assumed they have no need, and the whole system becomes a gigantic scramble—the rough, the strong, the impudent get all; the modest, the shy, the retiring refuse to join the discreditable throng.

2. *Injury to the character of the recipient; while poverty is aggravated rather than relieved.* This is more serious still, the money is not merely wasted but is misapplied, with disastrous results.

A poor district is what we call "relieved", should we not say "burdened", by continuous gifts, various sects strive one with another, competing which can give the most; and yet in spite of it all there seems no end, not even betterment; the "daughters of the horse leech" ever cry: Give, give! They are never better off, the homes are as dirty, the clothes shabby as ever, and the people become more degraded, less self-respecting. It is inevitable; whenever a family becomes thus dependent on charity it is extremely difficult for self-respect to be maintained. The evil conditions of a neighbourhood may be accentuated by such unwise action. Undesirables have been known to migrate from other parts to a parish where they heard a good deal of charity was going, to the consequent deterioration of the parish. The cause is not hard to find. The family finds help readily given by one, they immediately take the same story to another, without mention of the first, with a similar result, and again to a third and so on. It has been proved again and again that one family is receiving help at the same time from five or six different organizations without the donors having knowledge that any help was given other than their own.

In consequence of such easily found relief the family grows void of independence and self-reliance. In consequence of such practical deceit its members become shifty and immoral. In all such cases it is invariably found that the family is none the better for help so given, but descends steadily in the social and moral scale, reaching at last the state of those wretched ones who are "unhelpable".

3. *The cause of religion when associated with charitable gifts suffers in the eyes of those who are outside its influence.*

It is sad to read that so much that is done in the name of Religion only tends to bring discredit on the religion it professes to serve.

The healthier-minded independent members of the working classes look with contempt on the wholesale bribery practised by religious bodies, and a great deal of the indifference to things of religion is due to this cause.

In parish after parish where pecuniary advantages attach to attendance at a mothers' meeting, where rewards are given for church-going or the joining of clubs, it is admitted that with so much cadging and hypocrisy it is difficult to know who are genuinely amenable to religious influence or not.

I wish to close this which one may call the negative side of the question with the closing words from the Report of the Joint Committee of the Convocation of Canterbury on the moral witness of the Church on economic subjects. "Finally, we feel that the existing methods by which the Church relieves the poor—that is, the administration of 'charity' by the Church, as by Christian bodies generally—has been shown in its results to be singularly unproductive of permanent good.

"As regards the poor, the results have not proved satisfactory in the past, and neither response nor result are greatly different now. On the other hand, the existing system is responsible for much alienation from church, and from religious worship, of self-respecting workers, who are afraid of being supposed to come 'for what they can get'. We think that such considerations will tend, not indeed to make Christians disparage or neglect the duty and privilege of almsgiving, but to make them feel that something more is wanted than improvements in our methods of administering charitable relief. We have to go deeper to the grounds of the existing misery, and want and unemployment; and while we do our best to deal with the present distress, direct our chief attention towards furthering the reorganization of society on such principles of justice as will tend to reduce poverty and misery in the future to more manageable proportions."

II. Then turning to the positive side: What can be done to remedy the ills? How best may relief be administered?

May I suggest two words?

1. Consideration. 2. Co-operation.

1. CONSIDERATION

"Blessed is the man that considereth the poor and needy." We need more careful thought. Again and again touched

by a moving story, stirred by a generous impulse, people will readily give money without inquiry whether the story is true or the relief adequate. People hate anything that gives trouble, but if we hope to do any permanent good it can never be done in a casual off-handed way, we need to take care and pains.

Just giving from emotion needs to be controlled like all other unrestrained desires.

The consideration will follow these lines :—

i. Careful investigation into the truth of the case. It is very difficult for those who have not been taught by painful experience to realize the untruthfulness of uneducated people. Sometimes it is of malicious intent, deliberately telling lies to obtain money, to help such is just to encourage sin ; but more often it is a kind of embroidery of facts, exaggeration, carelessness of statement which leaves an entirely different impression upon the hearer than the truth. If we hope in any way to be a real help it can only be after a most careful investigation of all the facts, and to leave nothing to chance. This will necessarily take time and trouble, but it is time and trouble well spent. Of course people must not be left to starve while inquiry is being made. Interim help can always be given, though these cases of real urgent necessity are rarer than is often supposed.

ii. The unit to be considered is the *family*, not the individual; for the family is the true unit of our social life. To weaken the ties of family life is fatal. To teach the parents they have no responsibility for their children, that other people will relieve them of the burden, is wrong ; as also not to insist, where possible, that the children when earning money are bound to help the rest of the family.

The family is God's institution, and true charitable relief will endeavour to strengthen rather than weaken the family tie.

iii. The help that is given should be *adequate* to meet the need. To dole out a shilling grocery ticket to a case of great distress is to mock and not to relieve.

If the case is worth helping at all, it is worth helping well ; and it is far better to give adequate relief to a few families than insufficient relief to many.

iv. In all cases we should remember that the purpose of our relief is to be able to place the family beyond the need for relief ; to restore it to a position of independence again.

We shall probably find many cases where this is impossible—families that we are not able adequately or permanently to help, chronic out of work cases, unemployable men, &c.—such

cases are best left alone. We must recognize that it is impossible for us by charitable relief to abolish poverty, and we must learn that in some cases it is really kindest and best to refuse help, though this lesson is very hard to learn.

v. Finally, we must ever bear in mind that in all our relief it is the *character* which we seek to raise; if our help tends to deteriorate character, it had better be not given. Often the instrument used to raise character is monetary aid, but not always; and one sometimes feels that the cases we really help most satisfactorily are those in which no money or material help is given.

It is difficult to give money without the danger of pauperizing the recipient, and above all else we must strive to preserve the *self-respect* of those we wish to help.

Further, the question of religious belief should never enter into charitable relief; *character*, not *creed*, must be the test. Some of these considerations may seem hard, some utopian—but in this matter it is most important to have a high standard and to try and realize it in actual working.

2. CO-OPERATION

Great waste is caused by lack of co-operation, and infinite harm is done by competition.

i. In each parish there should be co-operation among the workers, no visitor should be allowed to give indiscriminately on his or her sole responsibility.

Relief should only be administered by means of a parochial committee, on which some laymen experienced in these matters should be asked to serve, as also representatives from the local C.O.S. and Board of Guardians.

This committee would meet weekly or fortnightly according to need, and should have the assistance of a trained worker; and each case requiring help would be carefully discussed, information being supplied by the visitor on a regular printed form, and it should be clearly recognized that no relief, otherwise than immediate interim relief, should be given except by order of this committee.

The relief thus voted should be given by lay almoners, visitors, or the like, *but never by the clergy*.

Such work needs *training*, and no one should grudge the effort and quiet study that are needed.

ii. Co-operation should be sought with the Poor Law authorities; our relieving officers are as a rule a most intelligent, human and kindly class of men, and their advice is simply invaluable. A parochial relief committee should never supplement parish relief; for this latter will never be made

adequate so long as the guardians think it will be supplemented from charitable sources.

Leave the Poor Law to manage its own cases, and let the parochial committee either take worthy "helpable" cases from the guardians, or better still never allow deserving families to apply for Poor Law relief at all.

If the Committee consider that the Poor Law Relief is insufficient the Guardians should be so informed; they are generally most grateful for information which it may otherwise be difficult to obtain.

iii. Co-operate, where possible, with other charitable organizations, the C.O.S., or neighbouring churches and chapels. It is notoriously difficult to obtain co-operation from other bodies of Christians not in communion with our own; but it should be sought strenuously and patiently.

iv. But further still, one feels that all these are but steps towards a higher ideal. Are we not feeling our way towards a broad organization that shall embrace all forms of charitable relief, somewhat after the manner of the "Elberfeld" system. Of course this would need adaptation in English towns, but the scheme has been adopted with conspicuous success in the Bradford City Guild of Help. We need to have working side by side in each municipality two bodies—(1) Administering the Poor Law Relief; (2) Administering all Charitable Relief. The character of the applicant alone deciding by which of the two the family should be helped.

Into such a "Guild of Help" *all* the moneys given for charitable relief would be poured. There would be no longer any "poor funds" or relief committees in connexion with our churches. Every case of need would be dealt with by its "Helpers"; and the Christian members of each church and chapel would supply the means deemed necessary by the guild for each particular case. It should be illegal for money to be given individually and indiscriminately, for relief is a matter in which society must act in its corporate capacity.

We are not sufficiently educated to accept all this as yet, but we are learning, and we hope that the Royal Commission now sitting on this question will teach us much, and perhaps recommend some such corporate action.

Such methods are not, and need never become, hard and unchristian, but should ever be instinct with the very Spirit of Christ. Prompted by Christian love and sympathy; carried out not with the selfish view of relieving our own feelings and doing the easiest thing, but for the purpose of helping most those for whom we really care; resulting in the uplifting of character and the development of sturdy self-respect and

self-reliance; making the weak strong, a "work begun, continued, and ended in Him."

Finally we must ever bear in mind those weighty words from the Report of the Joint Committee of the Convocation of Canterbury, quoted on p. 4.

Administration of Relief will never cure the ills and misery, we need to go deeper and correct the causes. Suffering must inevitably follow wrong doing, whether in the individual or society, and we must never think that by sentimental pity we can evade the inexorable law of God.

Injustice on the part of society towards the individual, and indulgence on the part of the individual, must inevitably bring suffering, and therefore side by side with a wiser administration of Charitable Relief we need to work for the reorganization of society and the reformation of the individual on the principles of righteousness and self-control.

A FEW BOOKS AND PAMPHLETS RECOMMENDED.

Life and Labour in London. Religious Influences. 7 vols.
Charitable Relief. By Rev. C. F. Rogers. 2*s.* 6*d.*
Rich and Poor. By Mrs. Bernard Bosanquet. 3*s.* 6*d.*
Occasional Papers of the London Charity Organization Society. 2*s.* 6*d.*
First Annual Report of the Winchester Diocesan Advisory Committee (1906–7). 6*d.*
The City Guild of Help. Bradford. 1*d.*
Organization of Edinburgh Charities. 6*d.*

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PAN-ANGLICAN PAPERS

Being Problems for consideration at the *Pan-Anglican Congress*, 1908.

RELIGION AND WAGES

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(*By kind permission of the Christian Social Union*)

There are, no doubt, still some people who think that there is no relation between religion and wages, and, perhaps, even those who do understand that there is some relation between them do not understand how important it is.

Some of the old political economy books say that wages are determined by the demand for and the supply of labour, and that they cannot be affected by anything else, so that it is useless even to consider what is a fair and reasonable wage, or to try to persuade people to pay it. *We all know now that this is simply a mistake*, but the influence of these old false views may still be traced in the notion that religion can have nothing to say in determining the rates of wages, but that these must be left to be determined by economic forces. *We, on the contrary, wish to urge upon you that there is no test of the truth of your religion so real as this question: "What rate of wages do you pay?" "What wages are paid to the people who make the things which you buy?"*

Wages are actually determined at present by many and complicated causes, but if we put the matter summarily, wages are actually in most cases the least that the employer can get the labourer to take, the most that the worker can get the employer to give. Wages are determined, not by the needs of the worker, but, except in a few cases, and except when the Trade Unions have been able to fix a standard or "living" wage, by economic conditions and circumstances which take no account of his needs.

What are the results of this? The results of this are that a certain number of highly skilled artisans have been able to secure for themselves wages which may average from thirty to fifty shillings in the week; that there are an immense number of working men who earn in town about twenty shillings in the week, and in the country, especially in the Midlands and southern counties, some fifteen or seventeen shillings in the week, *a wage which is hardly sufficient to provide them with the bare necessaries of life;* while beside these there is a great class—including especially the majority of women workers—which exists in constant want, which can never earn enough to get proper food, or clothes, or shelter. This is without taking account of the poverty which is brought upon people by their own vices.

How many there are in this class of the worst sweated trades we cannot say with certainty; but it is a class which must probably be numbered in millions; a class which can never provide itself with the necessaries of life, which is always hungry and ill-clothed, usually

physically undeveloped, suffering from frequent illness, and living short and maimed lives.

What are we as Christian people to say to this? What can we say but that these conditions are abhorrent and intolerable to us, and that they must be condemned by every Christian man and woman!

What! Are we content to live upon, perhaps to profit by, the want, the misery, the inevitable degradation of our fellow men and women, and of the little children?

What can we say as Christian people but that *the wages of the labourer must be the first charge upon any industry:* that no industry is to be tolerated which is based upon the want and misery of our fellow creatures. That is, that so far as we employ labour, we must never pay wages which are not sufficient to keep the labourer and his family in health and strength; *that is, we must pay a "living wage".* And further, if we are Christian people we must do our best to set forward all practicable remedies for underpayment, whether by the organization of the labourer in Trade Unions, or by means of legislation; while we should do all that we can to support those employers who are known to pay the standard wages, and to provide good conditions for the workpeople.

This principle of the "living" or "standard" wage, though there are some persons who do not understand it, is good political economy, for the wealth of a country is really founded upon the efficiency of its workers, that is, upon their health and strength, their industry and their intelligence. And certainly it is the only Christian principle of wages, for the workers are men and women like ourselves; the children of one Father, made like us for a life which is truly human and truly divine; and how shall we answer for them, if we have made our profit or enjoyed our comfort at the expense of their misery and destruction?

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PAN-ANGLICAN PAPERS

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THE FUNCTION OF THE CLERGY IN REGARD TO ECONOMIC LIFE

By the Rev. W. CUNNINGHAM, D.D., Archdeacon of Ely

I

There are two great principles of personal duty, in regard to economic life, which are insisted upon in scripture; they have had a prominent place in Church teaching—both by precept and example—in the past, and there is no difficulty in advocating and applying them in the present day.

One is the Christian view as to *property*—that all human possessions, of every kind, are held as a trust from the God who has made all things and assigned them to man to use. The owner of possessions of any sort is bound to use them as a trust, and cannot claim to be irresponsible. On this it seems unnecessary to enlarge.

The other personal duty of universal obligation is that of *working*—of giving active effect to the will of God. The treatment of this duty—as not merely prudential conduct, but as a privilege of co-operating with God Himself—is distinctive of Christian as compared with Jewish morality. Work is to be thought of as a personal duty, and the maxim, "whatever thy hand findeth to do, do it with thy might," is of universal application.

These two principles, between them, cover a very large part of economic life; in all communities, in every stage of civilization, property, either common or private, exists, and work is done; and they give a great deal of guidance as to personal duty even in the most complex states of society, where money economy is in vogue. They apply not only to communities in every phase of civilization, but to all classes within the community. The conception of trusteeship in property gives a basis from which to denounce gambling, as inconsistent with this sense of responsibility, both on the part of the rich and the poor. The recognition of the duty of work involves the condemnation of the millionaire whose life is given up to amusement, as much as of the loafer on the street. These doctrines are of the most general application, and they fall directly within the recognized sphere of Christian teaching,

as they have to do with the *inner disposition*, and the godly or the godless attitude of mind in regard to possessions and activities.

It is worth while to point out that such Christian teaching can never come into conflict with economic science. In its older form economic science follows out what will happen on the assumption that each individual is completely self-interested; in so far as any one chooses to act philanthropically, the conclusions of the science are inapplicable to his case, but they afford no basis for criticizing his conduct, or saying that he ought to have acted differently. In its more modern form economic science analyses the play of motive—the Christian will have a different estimate of "utility" and "disutility" from that of the godless man; the science may have to correct its view of the normal type from time to time, but the mode of reasoning would remain unaffected.

Whatever practical changes may be introduced, a doctrine which inculcates high personal morality can never be superseded. In a Socialist state there would be external conditions which favoured a different type of character from that which is current to-day, but the necessity of bringing the highest motives into play would still remain. In a Socialistic state all the means of production might be socialized, but the Christian doctrine as to personal use of wages or rations, and as to the personal use of common property and avoidance of waste, would remain. The duty of work would still be a personal duty. In the exposition of traditional Christian teaching as to personal duties there is a very wide field to be dealt with; and so long as this method is adhered to there is no possibility of conflict either with economic science or with Socialist aspirations.

II

To do these duties is right, and to neglect them is wrong; so far there need be no difference of opinion. The difficulty arises when we pass from these simple personal duties to duties which involve certain conditions, and which cannot be insisted upon generally and universally. Such a maxim as "give to him that asketh thee" cannot be taken as an absolute rule which prescribes indiscriminate almsgiving—say the distribution of money in Covent Garden Market—as a duty; that there are implied conditions may be deduced from Scripture itself. "If any man will not work neither shall he eat," and wherever conditions enter, there must be the weighing of probabilities and the consideration of what is wisest on the whole—what is expedient. The Charity Organization Society

contends that it is wrong to give money unless there is a strong probability that it will be well used; there are many people who feel that it is right to give men of doubtful antecedents another chance. Different people, who are equally kind-hearted, and equally anxious to relieve the poor, will take different views of duty, especially where the element of time comes in. Some fear that relief of present distress may bring about increased pauperism in times to come. There are many cases in which it is impossible to say that it is certainly a duty to give, and that not to give is wrong.

Similar difficulty attaches under some circumstances to what might have appeared to be simple duties. We feel that it is a duty to pay a man what he earns, not to defraud him of his wages; and that a man who works should stand on his own feet and not be beholden to charity. But there are many trades in which, from various circumstances, a man cannot earn, by his work, enough to keep him; the result of his day's work is worth very little. Is he to be paid more than he is worth, and thus have an allowance from charity in addition to his wages? Shall the sweating go on? or is the trade to be stamped out, and the man forced into the ranks of the unemployed? In all such questions considerations of the probable results, and the weighing of present distress against prospective evil, come in. There is no plain and simple duty which will commend itself at once to every earnest and generous man.

Wherever the questions are thus complex, and consideration of probable effects and expediency come in, we are forced to take account of the particular conditions of a particular society; and it is not the function of the Church to decide what is most expedient at any place or time. In any controversy which arises on such subjects as wages, or the housing of the poor, it is rarely possible to say that one disputant is advocating the Christian course, and that any other course is unchristian. Owing to their difference of standpoint and perspective one Christian man may take one side, and an equally earnest Christian may be found opposing him. Consequently no Christian minister can justly claim the right to lay down the law on such matters, or to assert in God's name what ought to be done, and denounce those who differ from him as unchristian. The pretension to pronounce absolutely on these complex affairs, as if they were simple matters of personal duty, is unfounded; and those who put forward this claim tend to bring the office of the Christian preacher into discredit, by misusing it. Let me illustrate briefly.

1. It is the duty of the Christian minister to carry on Christ's

work in the world and win men to God, but it is no part of his commission to re-arrange the distribution of external goods, or see that one gets more and another less. Our Lord distinctly declined the part of an arbitrator between brethren, and no bishop can claim on account of his office to be competent to arbitrate between capital and labour in any dispute. It may be that, as a man in his private capacity, he has the requisite technical knowledge and character to be a good arbiter; but the whole thing lies outside and apart from the duties of his office.

2. The Christian minister, who goes outside the terms of his commission and tries to pronounce authoritatively on the right and wrong of social questions, is likely to be brought into conflict with the exponents of economic science. The philanthropists and the economists have often been in opposition; in a great many cases the philanthropists have proved themselves to be more nearly right of the two. The economists, in laying down the law in regard to the effect of shortened hours and such matters, have often been quite wrong. But the philanthropists have been mistaken at times; the granting of allowances in addition to wages was the action of well-meaning and kindly men, but it proved eventually to have been a disastrous policy. The African slave-trade and the Black Problem in America have been the result of following a suggestion made on philanthropic grounds. There are two distinct aspects in which many social problems may be viewed —the immediate pressure of distress, and the effects in the long run of meeting it in some particular way. Wise men can hardly be so certain that they have given sufficient attention to both sides as to be ready to speak with absolute conviction.

3. The Christian minister who pretends to deal authoritatively with social questions is also likely to be brought into hostile relations with Socialists. If, as is likely to be the case, he assumes the maintenance of existing society in some modified form, he will appear, to those who are advocating an entire reconstruction of society, as a half-hearted creature who is content to advocate some temporary and unsatisfactory patchwork. A man who appears to be merely compromising will never win the respect of thoroughgoing and earnest men: they are ready to suspect him of posing as the advocate of a cause which he has not really got at heart. By pretending to deal, as a matter of right and wrong, with complex questions which lie outside his province, the Christian minister is in danger of rousing the prejudices of thinking men and the suspicions of poor men in regard to the religion he professes.

III

This is no imaginary danger. The Church has been discredited in the past by treating absolutely, as matters of right and wrong, what we now see to have been contingent upon circumstances. Two cases may be noticed, one political and the other economic, where the scriptural warrant for the course advocated by Churchmen appeared to be very strong.

1. The terms in which the Kingdom of David is spoken of, in the Old Testament, gave an apparent sanction to monarchy as distinguished from other forms of government; there was excuse for believing that this kind of civil government met with a divine approval to which no other form of constitution could pretend. The first Canon of 1640 insisted on the divine character of monarchy very strongly, and the preachers of the time advocated *active* compliance with the royal demands as a religious duty. There is a general consensus of opinion now that their language was over-strained, and that it was a mistake to bring the influence of the Church to bear so directly on one side in a political dispute; the questions as to the interpretation of the constitution and the limits of monarchical power were not so simple as the Anglicans supposed. Their error of judgement in enforcing what they believed to be civic duty, and treating it as also a religious duty, roused a storm of indignation at the time, and is still felt by many persons to have been discreditable to the Church of England.

2. That the taking of usury is inconsistent with the Christian conception of duty to our neighbours is an opinion which is amply borne out by many passages of the Bible; throughout the early and middle ages much acumen was devoted to the consideration of the subject, and to defining duty in regard to buying and selling, and to monetary transactions, so that a man might be able to carry on his business without any danger of gaining at the expense of others. The changes during the last five hundred years in the manner in which business is conducted—the increase of opportunities for the investment of capital and the development of insurance against risks—have entirely changed business practice in many ways. The ordinary man does not feel that it is wrong to invest money in consols, and the ecclesiastical prohibition of such conduct appears to him to be silly. No churchwarden could ever be expected to present an evildoer of this sort, in accordance with the canon of 1603. There was every possible excuse for treating the prohibition of usury as a simple prohibition of what was plainly wrong; but the change of circumstances has proved that it was a mistake to put it in an absolute form.

3. There is, as it seems to me, far less excuse for the line which so many earnest men are inclined to take in the present day, and for treating the Sermon on the Mount as if it laid down laws which should be supreme in all the relations of life. To regard it as containing absolute rules which should apply to human societies, as well as to individuals personally, appears to me to be giving it an undue extension. I have always regarded it as illustrating by extreme cases the habit of mind which is to be cultivated by those who desire to be good citizens in the Eternal Kingdom of God. Earthly kingdoms, of which the duration and aims are temporal and mundane, do not come directly within its scope. The principles implied in the Sermon on the Mount do not give a basis from which maxims can be deduced for affairs of state. A private person is not to exact vengeance; but a judge is called upon to maintain the authority of the law and to punish a criminal who has broken it. I cannot feel that the magistrate's conduct is unchristian because it is not clear that he loves the criminal as himself, or is doing as he would be done by. A man is not to garnish his common conversation with oaths; but he may be called upon as a citizen to give solemn testimony in a court of justice, according to Article XXXIX. These instances may put us on our guard against any attempt to deduce maxims for human society from principles which are laid down with reference to personal self-discipline. In the complex conditions of modern industry, where international relations are so close and international competition is so keen, it would probably be impossible to insist on the duty of corn-dealers to take a price which should be within the means of the poor,[1] or to insist that clothiers should employ as many hands when trade was bad as they had remunerative work for when trade was good.[2] These things were seriously attempted by Elizabeth and the Stuarts; it is doubtful whether their efforts did much for the poor, it seems likely that they reacted unfavourably on the attitude of the employing class towards the Crown. The attempt to apply the Sermon on the Mount directly to social conditions appears to me to rest on a misunderstanding of its purport, and to have little prospect of success.

IV

There is a very general feeling among the laity that the clergy are apt to say and do foolish things when they do not mind their own business. It is therefore well for us, as clergy, to be quite clear what is our duty in this matter.

[1] Cunningham, *Growth of English Industry in Modern Times*, 93.
[2] Ib., 50.

1. It is part of our official duty to insist on the duty of work as incumbent upon a Christian man and on the sinfulness of idleness. It is an old complaint against the English clergy that this duty is not sufficiently insisted upon in their preaching. "And the curates of all such villages and towns not considering the word of God, how all people should work to receive their livings of God's gift in right order, as Adam was first put into Paradise that he should work; and Paul saith, 'Who will not work that he eat not.' And he saith every man should work in peace to eat his own meat; that no man should eat away his neighbour's meat, but work to deserve his own meat before he eat it, and that no man for his meat should destroy the works of God. All these texts of God's word the curates never once searched, nor remembered, nor never led their people to such cure."[1]

2. It is part of our official duty to remind men of their personal responsibility to God for the use they make of their property; that they are to regard themselves as trustees for Him. In old days when business was, generally speaking, domestic, the man was so much master in his own house that he could be and was held personally responsible for the treatment of his apprentices and journeymen. But in modern times, when the price of his goods fluctuates greatly and he is catering for world-wide markets, when he is no longer protected by municipal custom, but has to face keen competition, there are many matters connected with the conduct of his business that are not in his power. The apparent weakness of Christianity in the face of modern social problems arises from the fact that the man who pays starvation wages does not feel himself to be a free agent in the matter. The sphere of personal responsibility is circumscribed.

3. It may be noticed, however, that while personal economic responsibility is thus narrowed or undermined, personal political responsibility has come to be very widely diffused. There are numberless ways in which the State interferes in economic life, with the aim of securing the welfare of the people. It is part of our official duty to remind men of the seriousness of their political duties, of the wickedness of neglecting them, and above all of the evil of misusing them by trying to turn their political power to personal advantage. The duty of insisting that citizens shall vote for the men and support the measures which they believe will really make for the good of the community, even though it be to their own hindrance, is very real. The higher the tone of political life, the more possible will it be for Parliament or Municipalities, by legisla-

[1] Clement Armstrong (1540) in Pauli, *Drei Denkschriften.*

tion and administrative efficiency, to introduce, as occasion serves, such measures as are expedient for the material welfare of the community. All this can be done without laying stress on any definite policy and without denouncing any party as unchristian. It is not by advocating particular measures as Christian, but by urging the citizens to exercise their privileges, under a sense of responsibility to God, that the Church can rightly use her influence for the good government of a democratic country, and for economic welfare so far as that depends on governmental rather than personal action.

4. So far for the official duty of the clergyman and his teaching in the pulpit, and his conduct in his capacity as charged with the cure of souls. But he has a personal duty as well; he ought to set an example of being a good citizen, and doing his best in his own parish to keep public bodies up to the mark. The sanitary authorities are quite likely to welcome his evidence about unhealthy houses. The police are glad of help in controlling public-houses, and a well-founded complaint may be of real service. The name of the common informer has fallen into disrepute, because he made personal gain through getting other men punished. It is never likely to be a popular office, even in the case of men whose motives are above suspicion. But a great deal of mischief that now goes on would be checked if some citizen, such as the parish priest, could be counted on to be courageous enough to initiate proceedings against men of any station who are disregarding the laws to the injury of the community.

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THE PRINCIPLES OF STATE INTERFERENCE

By WARWICK H. DRAPER, M.A.

It is not easy to define the questions which seem to arise under the above heading, if we are to consider Legislative Control not merely in relation to capital, but also from the ethical point of view. It is only possible in a brief paper to hint at a few of the topics which suggest themselves. They will doubtless be handled in many divergent ways at the Congress, even if a general consensus is arrived at upon the need of a certain amount of legislative control by the State over individual action and judgement.

The general question of State-action, if as old as Aristotle, lies so close to the roots of all political thinking, and is, with the leave of the Machiavellians, so intimately bound up with the need of some religious sanction, that a greater topic for discussion at this Congress could scarcely be found. We all stand at a moment of time when the echoes of the polemics between Mill, Ricardo, and Herbert Spencer on the one hand, and Burke, Matthew Arnold, Ruskin, and the best of the ' Fabians ' on the other, are still sounding in the world we live in. New thinkers and leaders come and go, but the issue is still as unsettled as in the day of the Sermon on the Mount. Discussion and definition, however, will continue to help the progressive development of the social order.

We are probably all agreed that the State, as an organized unit with a long history of gradual evolution, has as its chief material object the more equitable and socially expedient distribution of wealth. Too many are too rich, and too many are too poor. Labour and not riches is the essence of life; it is the quality of the striving, and not the result of the stress, which is the main thing. But the laws of social existence, while they should let us desire a better distribution of the world's wealth, require us to attend to economics and finance, inasmuch as we live in a work-a-day world and cannot enjoy a state of blissful anarchy where each creature is a law unto himself.

It is obvious that, if the true aim of society is the common welfare and moral character of all its members, the interference of the State in its collective wisdom is a necessity. If the phrases we use are to be more than vague catchwords; if capital, whether it be in the hands of merchants or bishops, manufacturers or lawyers—i.e. individuals who know that they have a conscience—or in the control of joint stock companies, of whom that attribute is less certain, is to be fixed with its duties and responsibilities, the State, to some degree, must step in. Hume and Bentham in England established to demonstration the Utilitarian principle of " the greatest happiness of the greatest number ". But man has not from their day, as by a jump of

evolution, assumed the uniform character of a model and monotonous altruistic "ego". The world is still a varied and interesting planet, with goals to reach after and injustice to redress. And, if injustice is to be prevented, the collective hand must move and guide. The State has more to do than "merely to perform the duty of a trustworthy policeman, who keeps the ring for competitive conflicts".

Objections to State-Interference. It is on the question as to what degree of State-Interference may seem expedient at any given moment that opinions widely differ. J. S. Mill's view, expressed in his essay on "Liberty", was that eccentricity should be encouraged, and that "social oppression" was a grave evil. Herbert Spencer's contention that people do not take "political momentum" into account is a good instance of his scientific insight. It can be urged with some force that State-interference frequently brings about unforeseen effects, which cannot easily be remedied just because they are the work of the State; as witness some results of the London Building Act.

State-interference is often mistaken, like individual interference, but is more heavy-handed, as in certain Church persecutions and press-laws. Many instances could be adduced, as in the operations of the Boer War and, most probably, though less sensationally, in the time of peace, of the cumbrousness and inefficiency of State-Departments as contrasted with private industrial concerns; and the experience of the United States, with its multiplication of offices and patronage, illustrates abundantly the difficulty of preventing fraud and corruption.

There remain two further objections which touch still more closely the ethical aspect of Legislative Control, and which the coming Congress will clearly do well to consider in the first place. Human progress, especially in its economic and socialistic phases, and particularly in England, has relied much in the past, and will still continue to rely, on *the practice of voluntary co-operation* and *the sense of family-responsibility*. The numerous bodies of public utility which are now in active operation, the Garden City Association being a good example, owe their origin and their vitality to the efforts of a few individual volunteers.[1] The behaviour and mental attitude of the executive officers of even such laudable and necessary bodies as Trade Unions frequently warn the student of current politics, especially in England, of the danger which would attend the overloading of the State with functions of government and reform.

Secondly, the logical and complete practice of State-control would most probably weaken *the habit of individual self-reliance*, which, all along the different grades of society, is a source of progress, subtle in operation, but tremendous in its cumulative effects. It is a moral problem of the first order whether a purely democratic régime would exhibit enough self-control to allow free play to individual genius, or whether there would not, on the whole, be a decline both in the happiness and in the nobleness of life. A general level of "dull com-

[1] A subordinate but real moral problem lies in the conundrum whether there would be gain or loss from the managers or directors of these bodies (e. g. co-operative societies administering property) being paid for their work. In a world where labour has to be paid for, better business men might often be attracted, but the attendant risks are grave.

fort and moderate respectability" would be a heavy price to pay for the loss of the art and culture which have always been the fruits of the human struggle. That human nature works from motives is for ever the daily experience of the priest, the doctor, and the lawyer, and it is that experience which inspires the poet, the artist, and the musician. Remove the stimulus of individual or family interest, and, with the leave of the dreamers of "No-where Land" (though we could ill afford to lose their utopias !), what motive would remain for exertion and enterprise, for invention and accumulation, strong enough to induce average men to make a maximum contribution to the general store?

Arguments for State-Interference. But having recognized these very considerable objections, we cannot be blind to the facts of modern progress, which manifest a very large degree of control by Legislative Action. It is impossible to deny that the question is one of the balance of advantages against disadvantages, each act of expediency being subject to certain moral tests. In spite of many ugly features which remain or arise in our present industrial and civic life, who will deny that the poor parts of our towns are less squalid and the conditions of country labour less wretched than a century ago, or that the life of the toiler is blended with more chances of happiness and health? Can a Spencerian who knows the life of the people seriously contend that the mass would at this moment be happier if there had been no Factory Acts, no compulsory inspection of homes and workshops, no Temperance Legislation, no Education Acts, to accompany the growth of population and the invention of machinery? It is a common-place that the majority of the well-to-do people, who have their thinking done for them by their morning paper and mumble odd remarks about "those dreadful Socialists", or deplore that "the country is being ruined" without stirring a finger to save a corner of it, would be astonished to learn for how much their own daily comfort is indebted to actual State-control.

If we glance at a few instances of "interference" in morality and economics, we shall see some problems eminently fit for discussion at a broad-based Conference of the great Christian Society, which can say that its founder seems to have foreseen the essence of them all.

State-Interference in Morality. That no civilized State consistently regards the fostering of morality as outside its sphere is a truism. Individual liberty is theoretically an element in the highest standard of morality, but few of us would really prefer "England free" to "England sober"! We not only lock up drunkards, but we punish even would-be suicides. It is not that in modern times we find that as much "State-drill" can be imposed as Plato and Aristotle recommend or suggest; neither do we make a universal application of the inquisitorial interference of the State into private life. But the fact remains that, in order to enforce public opinion, there is a real educational value in having penal enactments against wrong-doing passed and applied by the State. It is difficult to resist the paradoxical conclusion that the more highly developed a State is, the more widely and firmly will the State intermeddle with the conduct of each citizen, which is three-fourths of his life.

State-Interference in Economics. Extreme socialism says roundly that "property is theft", and that the State alone should possess all land, capital, and machinery, regarded as the means of production. So much injustice is attributable to the abuse of private ownership, that it is easy to explain the wide acceptance of socialistic doctrine and phrases by a generation which has had the benefit of practically universal State-education, and is, as one thankfully admits, carrying social reform as a reality into the arena of actual politics. But the sum of historical experience, and the dangers of discouraging commercial enterprise and of driving capital out of the home-land, all point to the conclusion that private capitalism, given wise and reasonable limitations, remains the best and most practicable method of inducing individuals to contribute to the general wealth. State Socialism, pure and absolute, is calculated not only to reduce the wealth of the world so that it would not "go round", but to undermine the self-respect and independence of the average citizen, and thus to make him morally an inferior man. It would seem that our business is assiduously to see by inspection and all reasonable checks that private ownership is not used to inflict suffering or hardship on a fellow member of the State. If this were done in all the modes of commercial and political economy, how triumphant and beneficent would be the revolution! But it is the most serious of economical questions whether "to teach men to rely upon the State rather than upon their own energies" would not "demoralize the people and sap the strength of the nation, and perhaps destroy the family—the most sacred and beneficent of all social and political institutions". Property is so much an expression of personality that legislative interference with it should be nothing but cautious and deliberate. Such interference should wait upon the success of voluntary effort in industrial organization and upon the success of public opinion in forming habits of personal expenditure.

State-Interference in Education. If the State exists for the well-being of its members, the functions of the State in relation to Education must be extended quite inconsistently with the tenets of the school of "individual liberty". In the encouragement of the arts and sciences outside the ordinary rules of supply and demand, in the use of public money for the children of the poor, and even in the domination by the State-teacher of the personal judgement of both parent and child, we observe to-day the most striking examples of State-interference. With a wiser and bolder use of home-influences, this wide and systematic intervention of the State seems quite desirable.

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PAN-ANGLICAN PAPERS

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OUGHT COMMUNITIES ALONE TO HAVE MONOPOLIES?

MUNICIPAL TRADING

By A. J. CARLYLE, M.A.

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(*By kind leave of the Christian Social Union*)

THERE has recently been a good deal of excited talk in the newspapers and magazines about the dangerous extent of Municipal Trading; some people seem to think that this constitutes a very serious danger to private enterprise, and are very much alarmed at what they consider to be the socialistic tendency of such trading. It may therefore be useful to consider some of the actual facts about the amount and character of Municipal Trading, and some of the circumstances which may lead us to welcome rather than to fear its extension.

In the first place it is well to know what Municipal Trading actually is. What is the nature of the trade which is done by the municipalities of the country, and the amount of capital invested? No complete analysis of this has been published since the return made to the House of Commons in 1903, but the *Municipal Year Book for* 1907 (p. 635) gives us the total sums invested, and the undertakings in which they are invested, taken from the official returns.

The total amount of capital is, in England and Wales, £195,691,016. A large sum, you will say! A most alarming and dangerous indebtedness, I can imagine some of our friends exclaiming. Well, I suppose this depends upon the character of the investments. Out of this total, £65,495,976 are invested in waterworks, and £23,283,800 in gasworks. I do not suppose that most people would describe these undertakings as wildly speculative and recklessly unnecessary. Out of the remaining amount £7,637,756 are invested in markets, £41,192,493 in harbours and docks, £2,743,171 in baths and wash-houses, £3,110,275 in burial-grounds; to these again I suppose few people would object, though it may be regretfully owned, that neither funerals nor washing pay. Then we have £21,636,416 in tramways and light railways, £22,000,567 in the supply of electricity, £8,208,525 in working-class dwellings, and finally £382,037 on other reproductive undertakings.

The table makes it sufficiently clear that the "Reproductive Undertakings" of the municipalities are of a sensible and solid kind, that to talk wildly about dangerous interference with private enterprise is really foolish, and that to describe these investments as the heaping up of an intolerable burden of indebtedness is only to make it clear that the critic is incapable of understanding what he is talking about.

Having thus, I hope, reassured ourselves a little about the actually existing circumstances, we may proceed to consider the economic basis and circumstances of Municipal Trading. In the first place I must ask you to consider what we may call the *economics of monopolies*. It is easy to understand that there are certain undertakings which can in the nature of things only be carried out by one person or firm in any one place. We could not, for instance, have two or three rival companies running different sets of tramway lines through the same streets; a town must give the right to do this to one company, and thus gives this company a monopoly. So with the supply of gas or water or electricity. The supply of such things can usually only be carried out under conditions of monopoly, and *monopolies are best under the immediate control of the community*. If you ask for the reason of this, the reply is very simple. The holder of a monopoly, so long as he can make his profit, has no special inducement to consider the convenience of the public. If we don't like the boots which we get at our bootmakers we go to another, but if we don't find our tramways convenient, or are dissatisfied with the character and conditions of our water supply, we may have no remedy. The holder of a monopoly will indeed always make such improvements as he feels sure will bring him in a larger profit, but if the public convenience requires a larger outlay of capital which will not bring in a larger proportion of profit, or the financial results of which are at all uncertain, the monopolist will not carry this out. His object is profit, while the public wishes convenience.

It is therefore obvious that the public should directly and immediately control all large undertakings which supply things of public necessity or convenience, and which have the character of monopolies. If you will now turn back to our examination of the returns, you will see that the greater part of the undertakings there dealt with have this character.

We have thus dealt with the circumstances which make Municipal Trading, as we now know it, desirable and even necessary: we may now go on to consider certain characteristics of industry which indicate that the public control and management of industry can be, and will probably need to be, greatly extended. And first we may inquire as to the economical possibility of doing this.

It was generally assumed in economic works that industry is best carried on under the terms of competition for profit, that it is by means of this competition that industrial methods have advanced, and that the customer has found his convenience consulted. It is often suggested that the salaried official of a public business could have no such powerful stimulus to personal efficiency, and that therefore the substitution of public for private ownership and control would prove economically ruinous to any society. Before we give our assent to such a judgement, it is well to observe some of the actual characteristics of *modern industry*.

Nothing is more characteristic of modern industry than the tendency towards the substitution of the joint stock company for the old private firm. In every department of industry this process is taking place. It is possible that this change may be accompanied by some loss of industrial efficiency, but what is quite certain is that the transition is itself

the result of the operation of economic forces. For our purpose it is surely of importance to take account of this fact, and to observe how the direction of industry is in a large measure passing into the hands of salaried officials. As I have said, it is quite possible that the change has involved some loss of industrial efficiency in some directions, but no one seriously maintains that industry is being ruined by it. The truth is, no doubt, that besides the economical advantages which belong to the greater scale on which production is carried on, the advantage derived from the direct stimulus of profit under the old system may be more than counterbalanced by the greater skill and intelligence which is at the service of the joint stock companies.

It is indeed probable that there may always be a difference between the more speculative and the normal productive enterprise, that the more speculative form of industry will continue to depend largely upon the initiative and enterprise of individual men who are directly interested in the possible profits of such concerns. But it must be remembered that while we can draw no fixed line between the speculative and the normal business of a community, the former is only a part and the smaller part of the industry of the country. *It is, then, clear that in the organization of industry the salaried official is tending to take the place of the owner.* It cannot therefore be seriously maintained that it is impossible for industrial concerns which are controlled or owned by the public to find efficient servants.

It remains to consider certain characteristics of industry which seem to indicate that it may prove necessary to extend the public control over at least some of the important forms of industry. We have just seen that the private firm is giving way to the joint stock company. It is, I think, true to say that the company competing with other companies in one industry is tending to give place to the great combination which is sometimes called a *Trust or Syndicate*, the great combination which includes all, or nearly all, the firms engaged in one industry in a country. The causes which seem to be producing this tendency are complex, and we cannot now enter into them, but undoubtedly one most important cause lies in the unexpected results which have actually attended the working of competition in industry. It is, I think, true to say that in many industries these great combinations have been formed because the firms conducting that business were ruining each other and themselves in the frenzied struggle of competition, by underselling each other. Underselling is a ruinous business when the price is reduced below the cost of production, and one cannot wonder that the longer-headed men among the leaders of industry have recognized that combination would often work far better, at least for the producer, than competition. It is true that it is in the United States, and under the shelter of high protective duties, that the Trusts have been most developed, but the economic forces which have produced them there are at work in this country also. These great combinations will, just in proportion to their success, tend to become a *possible source of danger to the community*. It may only be in highly protectionist countries that they can attain the position of complete monopolies, but even in Free Trade

countries a completely organized combination, including the whole of one trade, will tend to have this character ; and therefore *in the interests of the community they may need to be in a large measure under public control.*

I have thus endeavoured to point out that there are circumstances in the organization of industry at the present day which seem to show that in the near future we may require greatly to extend the public control over those great industries which are specially necessary to the public well-being ; and I have already pointed out that the notion that public control or ownership of industrial concerns will necessarily cause them to be inefficient and unproductive, rests upon an assumption which is not warranted by the facts, and that *we may look forward without any great economical anxiety to a great development of municipal and other public enterprises in the future.*

It remains, however, true that such changes in the industrial organization will throw new and heavy burdens upon those who are charged with the care of our municipal affairs, will bring with them new responsibilities, and new temptations, indeed the risk of such changes lies rather in the moral than in the economical region. Our municipal institutions have not always been as wholly free from suspicion as might have been wished : the danger of corruption will be increased with the extension of municipal trading.

The progress of society will not, however, stand still while we stand nervously and anxiously on one side. Our task is surely to do all that lies in us to set forward such an increased sense of responsibility, of the sacred obligation of public service, that men of religion and of honour may recognize the call to serve God in the service of our cities and counties. *There is no task which is more directly laid upon us than that of working for the true appreciation by Christian men of the obligation of the public service* ; there is no service which we can render to our country and our generation greater than that of setting forward a higher spirit, a nobler sense of the obligations and the responsibilities of public life.

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INDIA AND ENGLAND

SOME MORAL ASPECTS OF THE ECONOMIC RELATION

By the Rev. C. F. ANDREWS, M.A., Delhi

In India, economic problems arise out of the relation with England, because

(i) India is ruled from England.

(ii) The English Government is, in a real sense, the landlord and landowner of India.

(iii) Departments directed by English officials deal with a very large amount of the daily life and interests of the people of India.

(iv) The English Government in India is bound by close economic ties with England in regulating its own fiscal policy.

It should be stated clearly at the outset that the leading Indian economists acknowledge the moral and material benefit which has come to India through British Rule. To mention the two most celebrated, Mr. Dadabhai Naoroji begins his book, entitled *Poverty and Un-British Rule in India*, with a tribute to the "advanced, humanitarian civilization of Britain" in India; Mr. Romesh Chander Dutt, C.I.E., both in his *Economic History* and in *India in the Victorian Age*, points out the gains of peace and settlement and education which have been derived from the British Raj. They criticize what they regard as blemishes in an otherwise beneficial and progressive system. Mr. Naoroji was for many years a Member of Parliament; Mr. Dutt, a retired member of the Indian Civil Service, is at present working on an important Government Commission. A new extremist school of Indian economic thinkers has recently arisen. Their principles will be dealt with separately at the end of this paper.

There are four main subjects on which Indian economists raise the moral issue with regard to the relation between India and England—

(i) English predominance acting as a deterrent to initiative, enterprise and leadership. (Mr. Naoroji calls this "The moral poverty of India".)

(ii) The drain from India of wealth to England in "Home charges".

(iii) The economic advantages given to England in the past and present Indian fiscal systems.

(iv) The heavy incidence of the Land Revenue, causing agricultural depression and distress.

(i) English Predominance.

"Subjection," says Seeley, "for a long time to a foreign yoke is one of the most potent causes of national deterioration." Is this true of India? Mr. Naoroji would answer that, while in many directions India has undoubtedly advanced, in one direction there has been a most serious moral and economic loss. The predominance of a superior race has crushed Indian initiative, and in consequence the new civilization has been imposed from without, rather than developed from within. In Japan the advance in the new civilization has been from within—organic, assimilative, self-achieved. In India the Government (like all great alien patrons who attempt to regulate from without) tends to keep in leading strings and pauperize its clients by making them too dependent on its bounty. The steady pressure of a foreign superiority, which is never absent, has carried with it a steady contraction of innate powers among those who are in an inferior position, and thus has tended to bring about that national deterioration of which Seeley speaks. The whole system of Government administration is necessarily foreign, and Indians are obliged to adapt themselves laboriously to foreign ways. Even when they succeed, they can only fill inferior positions and remain in subordination to foreigners. Mr. Naoroji would add that this does not apply to Government service alone. The very qualities of independence, initiative and originality, which are most needed in modern commerce, have had little scope for development among educated Indians, and enterprising English traders and speculators have been able to take advantage of the weak condition of the country and exploit its economic resources. They have also had the immense advantage of belonging to the ruling race, and have used that advantage to the full. Indians under these conditions have remained subordinates and inferiors, not only in the large area of Government employment, but also in the still larger area of modern trade and business enterprise. This position of continual inferiority to the Englishman has been rendered all the more unbearable, because it has happened in direct contradiction to the different charters which pledged impartial treatment. The pledges given as early as 1833 have never been fulfilled. The Queen's Proclamation itself remains in this matter almost a dead letter. The Act of Parliament of 1870 shared a similar fate. The Resolution carried by the House of Commons in 1893 to hold simultaneous examinations for the

Civil Services has never been put into effect. Thus, in addition to the actual evil of Indians remaining in inferior positions, there is the added evil of broken promises.

An answer to this is not easy. Perhaps the strongest position is to claim that in India it is better to proceed slowly and cautiously, even with the acknowledged evil of foreign predominance and with the appearance of breaking promises, than to make one false step which would throw all back ; that greater responsibilities are gradually passing into Indian hands, and meanwhile a peaceful internal revolution is taking place, whereby Indian castes and races and creeds are being welded into a nation. But such an answer in the past has been only too often a cover for selfishness, and the general tone of Anglo-Indian opinion is constantly intolerant of racial equality. Against this spirit the Church should raise no uncertain voice.

(ii) The Home Charges.

It will be best to state this complaint against the present administration in the words of Mr. R. C. Dutt, C.I.E. : " One-fourth of all the revenues derived in India is annually remitted to England in Home charges, and if we add to this the portion of their salaries which European officers employed in India annually remit to England, the total annual drain exceeds twenty million pounds sterling. The richest country on earth stoops to levy this annual contribution from the poorest. Those who earn £42 per head ask for 10*s.* per head from a nation earning £2 per head. And this 10*s.* per head impoverishes Indians, and therefore impoverishes British trade with India. The contribution does not benefit British commerce, while it drains the life blood of India in a continuous, ceaseless flow. For when taxes are raised and spent in a country, the money comes back to the country ; but when taxes, raised in a country, are remitted out of it, the money is lost to the country for ever ; it does not stimulate her industries or trades, or reach the people in any form. Over twenty millions are annually drained from the revenues of India, and it would be a miracle if such a process, continued through long decades, did not impoverish even the richest nation upon earth."

When this statement is examined it is found to be a very imperfect representation of the facts. Considerably more than half of the sum that Mr. Dutt describes as the annual drain is due to interest on capital invested in India, which has proved for the most part a reproductive investment. By the irrigation system, for instance, for which State loans were raised, nineteen million acres of land, which were practically desert, have been

brought under fertile cultivation. Railways are now helping, by their profits, to add to the revenue of India ; they are an untold boon to the country and a protection against famine. Yet they could not have been built without English capital. Instances such as these, of reproductive loans both in money and in men, could be multiplied. The value of a first-rate scientist or a first-rate engineer, introducing improvements into India which will last for centuries, cannot be measured by a monthly income of a thousand odd rupees.

On the other hand the claim is unquestionably just that such a large amount as twenty millions taken every year out of the country must be a financial strain of the most serious character, and everything should be done to lighten that strain. For India is like no other great country in the world, in that most of her rulers and merchant princes make their fortunes within her borders, but do not spend them there. Wherever, therefore, an Indian can replace an Englishman, without the work suffering or the stability of the Government of the country being impaired, the benefit to India is both moral and material :— moral, because another Indian has become a recognized leader in his own country ; material, because the wealth that the Indian accumulates will be circulated in India, not in England.

In this connexion one of the biggest items of expenditure is the Standing Army. Education remains, year by year, in an almost starved condition on account of the enormous military expenditure. The plea is just that, if India was able to spare for a long period 30,000 English troops for South Africa, when Russia was strong and there was no Anglo-Russian Convention, she can spare at least 5,000 to-day. Even such a reduction would release sufficient funds for the crying need of primary education. The plea is also just that the present expenditure in all the services is uncontrolled by Indians themselves, and that taxation without representation is bound to be extravagant.

(iii) Fiscal Injustice.

It is argued that in the early years of the Nineteenth Century everything possible was done by England (without any protest or retaliation from the Indian Government) to crush Indian manufactures, especially those of cotton and silk, for which India was famous : that, on account of this policy, India was reduced to an almost purely agricultural condition, her own manufactures being replaced in her own markets by those of Lancashire. It is shown further how, in modern days, when an attempt was being made to revive the cotton industry, and a very slight import duty was levied for the purposes of revenue,

Lancashire forced the British Parliament to insist on an excise duty (equivalent to the import duty) being placed on all Indian cotton goods. "There shall be levied at every mill in British India upon all cotton goods a duty at the rate of 3½ per cent." (Cotton Duties Act, 1896). Even though it was pointed out that there was no competition whatever with Lancashire in the coarser cloths, which formed the bulk of Indian manufacture, yet so great was the trade jealousy that an excise duty was forced upon non-competing goods as well as on competing goods. "As an example," says Mr. Dutt, "of fiscal injustice, the Indian Act of 1896 is unexampled in any civilized country in modern times. Indian cottons which were supposed to compete with imported goods were first excised in 1894. The Indian goods which did not compete were excised in 1896. Such is the manner in which the interests of an unrepresented nation are sacrificed."

To this statement there is very little answer to be made. It is true that the early Indian hand-loom manufactures would have died a natural death in any case, after the advent of the power-loom in England, but there is the clearest evidence[1] that the relentless application of high protective tariffs in England, combined with every encouragement given to Lancashire goods in India, helped to kill them. With regard to the present Cotton Excise Duty, which taxes Indian manufactures at Indian factory gates before they can be sold even in India, I have never heard a word of justification or defence, and more than one high English official has told me that he regarded it as "iniquitous". Its imposition gives colour to the saying prevalent to-day in India—that the moment the present Swadeshi movement touches English pockets, the whole weight of England will be brought to bear to crush it, and India will be treated in trade matters as a conquered country with no rights and privileges. In the last two years it has been the economic even more than the political dependence of India upon England which has given strength to "Extremism".

One further word needs to be added. Indian economists have protested from early days against the wrong done to China by the Indian opium revenue. As early as 1880, Mr. Naoroji, in a memorandum addressed to the Secretary of State for India, wrote as follows:—"In England no statesman dares to propose that opium may be allowed to be sold in public-houses. On the contrary, Parliament enacts that 'opium be sold by certified chemists only and be distinctly labelled "poison"'. And yet, at the other end of the world, this Christian and humane England forces a 'heathen' and 'barbarous' Power

[1] See *Evidence taken before the Commons Committee*, 1832, vol. ii.

to take this poison. This opium trade is a sin on England's head, and a curse on India for her share in being the instrument." Mr. Gokhale and others have spoken out no less openly. This great fiscal question, involving the gravest moral responsibilities, is not yet settled, and it is a matter of thankfulness that the recent Indian Episcopal Synod has spoken out so bravely.

(iv) Agricultural Depression.

The frequent recurrence of famine, in spite of railway and irrigation improvements, has made Indian economists ask for a revision of policy with regard to the Land Revenue. It should be stated that Government acts as legal owner of the soil, and takes from it a revenue amounting to about 50 per cent. of the net assets (*Imperial Gazetteer*, vol. iv, p. 222). This charge upon the land is revised every twenty or thirty years, and enhanced as the land rises in value. In Bengal, however, a "Permanent Settlement" was made in 1793, by which the land revenue should remain stationary. It is claimed that, if such a permanent settlement were extended to the whole of India, the evils of constant "settlements" would be avoided, accumulation and investment of capital would be encouraged, and the peasantry would be more able to withstand the effects of a bad season. The answer to such a demand for permanent settlements seems to be that the time for such a change of policy is past, and that more difficulties would now be created than solved. The true path of progress appears to lie in a completely scientific adjustment, which will allow for remission in seasons of scarcity, foster efforts made to improve the land, and take full account of local conditions.

A further criticism of the present system is contained in the complaint that it leads to an unequal distribution of wealth, the poor growing poorer in spite of their acknowledged industry and frugality. The new wealth that is flowing into the country tends to accumulate in the hands of the trading classes, who are very lightly taxed; while the burden of taxation is borne by the peasantry. The agricultural classes are more and more exploited by the traders, and their ignorance makes such exploitation doubly difficult to avoid. Up to the present only the most meagre efforts have been made, and the most meagre sums of money expended, in order to give them primary education, and thus put them on more equal terms with the money-lender. Though "the most patient and frugal peasantry in the world", (*Imperial Gazetteer*, vol. iv, p. 204) they are weighed down by debt and sink almost at the first touch of famine.

When it is stated officially that, in 1878, the excess mortality

from famine reached 5,250,000 in British territory alone, and that in July, 1900, famine relief was administered daily to 6,500,000 persons (*Imperial Gazetteer*, vol. iii, pp. 489 and 492), and further that the Indian peasantry are " the most patient and frugal in the world ", and then the information is given that the Land Revenue, taken from the same peasantry, amounts approximately to 50 per cent. of the net assets, the ordinary reader cannot help but feel that there is something wrong with the conditions, though he may not be able to point out a remedy. It can hardly be regarded as a sufficient solution of the problem to point to highly organized State agencies for famine relief. Even if excessive mortality is avoided, the danger of pauperization remains. The question needs continually to be asked whether, by reduction of military expenditure[1] or other methods, the burden of land taxation cannot be further lightened, and at the same time, whether the abysmal ignorance of the peasantry as to the uses of money and the powers of co-operation cannot be dispelled. The issues of life and death are so vast, and the possibilities of human suffering so immense (a famine area not seldom includes over 50,000,000 people), that the economic question is raised to the highest pitch of importance.

A new school of Indian economists, sometimes called by the name of " Extremists ", has gained ground in recent years. The main doctrine of the new school may be summed up in the word " Boycott ". The exponents of this doctrine declare that only in holding aloof from Government altogether lies economic salvation. To be dependent on a foreign Government for education and employment, and even indirectly (by buying English goods) for food and clothing, is to become a " mendicant " and to join the throng of educated Indians who are sinking lower and lower in pauperizing subjection. The leaders of the new party therefore advocate a policy of " thorough " (whence their name " Extremists "), and endeavour to organize Indian life apart from Government influences. They attempt a new form of education unaided by Government grants ; they boycott all English goods ; they avoid Government Law Courts in settling their disputes ; they refuse altogether Government service. In this way they hope to train a younger generation in " Swaraj " or Self-Government. It is possible that such a complete programme may not be carried out by any large section of the community under present circumstances. At the same time the spirit of self-dependence and indigenous development, in a form which is termed " Swadeshi " (lit.

[1] In 1904–5 the military expenditure (£20,000,000) very nearly equalled the combined Land and Salt taxes.

"one's own country"), is spreading very widely indeed and reaching the masses of the people. A whole series of new economic and moral problems will have to be faced by a Church in India that aspires to be called National.

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Pan-Anglican Congress.
Section A.

THE CHURCH AND HUMAN SOCIETY.

CAPITAL AND LABOUR.

THE success of a Congress depends, not only on the expert knowledge and eloquence of the speakers, but also on the general level of intelligence among the audience. Every member of the Congress, by means of some previous study, should be in a position to appreciate the fundamental principles which lie at the root of every Christian discussion, to follow readily the drift of any argument, and to exercise a certain amount of critical judgement in discriminating between rival theories or interpretations.

The Christian Point of View.

(i) In the New Testament the Church is set in contrast to the "world"—i.e. human society in so far as it is organized apart from the recognition of God. But by this very contrast the Church is placed in a special relation to all forms of social activity. All the materials and faculties of human life are meant to serve a Divine purpose. Social usages, commercial methods, political measures—all are capable of becoming ethical forces. For this the Church is responsible, in virtue of her power to regenerate and consecrate all things to the service of God. It is in this sense that we accept the comprehensive words, "All things are yours." The attitude of the Church, then, represents at once a universal claim and a universal obligation. She demands from human society that every department of social life should be brought under the ultimate sway of the Christian law. She also owes to human society the actual presentation in practical life of what the Christian law really means within the sphere of her own freedom.

(ii) The Christian method of social reform is distinguished by the fact that it demands, not conduct merely, but character, and aims at the production of that character by the spiritual agencies of the Church. But there is no necessary antagonism between this essentially Christian method and other methods which depend on the authority and force exercised by the State. The State is regarded as entrusted with the administration of Divine justice, and its officers are "God's ministers", who should "attend continually on this very thing". The Christian citizen, therefore, is morally bound to make full use of his political influence. But here, too, he will be inclined to test all social institutions and forces by their influence on character, and to recognize that in any matter of State action the main question is always—Will it vindicate social justice or increase social efficiency?

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